
BENCHMARK STATEMENT

POLSTR COMPOUND INDICES FAMILY

Benchmark Statement - POLSTR Compound Indices Family, adopted by Resolution No. 102/2025 of the Management Board of GPW Benchmark S.A. dated 30.06.2025.

Document status: public

Effective from: 2 July 2025

History of changes:

Board Resolution	changes	effective date
------------------	---------	----------------

This document constitutes a statement concerning the benchmark referred to in Article 27 of Regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or for measuring the performance of investment funds (the Benchmarks Regulation – “BMR”), presented by GPW Benchmark S.A. (the “Administrator”), as the entity responsible for overseeing the provision of the POLSTR Interest Rate Index (“POLSTR”) and the POLSTR Compound Indices Family, authorized by the Polish Financial Supervision Authority to act as a benchmark administrator.

This statement summarizes the key elements of the methodology for the provision of the POLSTR Compound Indices (“Method”) and the main related procedures. The Method and its accompanying procedures are described in detail in the documentation published on [the Administrator’s website](#).

The definitions of the terms used to describe the POLSTR Compound Indices Method are contained in the *List of Key Terms for the POLSTR Interest Rate Index and the POLSTR Compound Indices Family*.

Date of publication: 2 July 2025

Date of last update: -

Key terms [art. 27(2)(a) of the BMR]¹

Definitions of key terms regarding the POLSTR Compound Indices Family, capitalized in this statement, are set out in the *List of Key Terms for the POLSTR Interest Rate Index and the POLSTR Compound Indices Family*, attached as an annex to this statement and accessible on the [Administrator’s website](#). A description of the market being measured and its geographical boundaries is included below.

ISIN Codes [art. 1(1)(b) RTS]

Index	ISIN Code
POLSTR 1M Compound Rate – 1-month pre-defined term	PL9999996413
POLSTR 3M Compound Rate – 3-month pre-defined term	PL9999996405
POLSTR 6M Compound Rate – 6-month pre-defined term	PL9999996397
POLSTR CI – POLSTR Compound Index with base date 4 January 2021	PL9999996389

Use of contributions input data [art. 27(2)(c) of the BMR, art. 1(1)(c) of the RTS].

The indices of the POLSTR Compound Indices Family are determined (calculated) based on historical POLSTR values and reflect the behavior of the POLSTR Reference Market over time. POLSTR is the base index for the indices in the POLSTR Compound Indices Family.

POLSTR is determined based on Input Data, which are data on Deposit Transactions with overnight maturities, provided by Data Contributors to the Administrator. In determining the values of indices belonging to the POLSTR Compound Indices Family, the Administrator does not use any Input Data other than the POLSTR values, which are determined by the Administrator.

Reference market [art. 27(1)(a) BMR, art. 1(2)(a–c) RTS]

The market measured by POLSTR, which serves as the base index for determining the indices belonging to the POLSTR Compound Indices Family, is the wholesale money market in respect for Deposit

¹ The references in brackets are to the statement content requirements contained in the BMR and Commission Delegated Regulation (EU) 2018/1643 of 13 July 2018 supplementing the Regulation with regard to regulatory technical standards clarifying the content of the statement [...] (“RTS”)

Transactions in PLN (zloty) with an overnight (O/N) maturity, i.e. those maturing on the next Business Day following the transaction date, within the segment of Deposit Transactions concluded between Credit Institutions and Financial Institutions.

The POLSTR Reference Market is the Reference Market for the POLSTR Compound Rates, namely the POLSTR 1M Compound Rate, POLSTR 3M Compound Rate, and POLSTR 6M Compound Rate, with the purpose of these indices being to present the state of the Reference Market as measured by the development of POLSTR over the past 1 month, 3 months, and 6 months, respectively.

Circumstances in which market measurement may become unreliable

The Administrator identifies potential limitations to the reliability of the market measurement, which is the objective of POLSTR and thus the POLSTR Compound Indices, when Input Data are:

- ✓ insufficient,
- ✓ inaccurate, or
- ✓ unreliable.

Insufficient Input Data

POLSTR Compound Indices are considered uncalculated on a Business Day if the POLSTR value is not made available by 12:00 p.m. or immediately thereafter.

Inaccurate Input Data

Input Data are considered inaccurate if they contain an Error. For POLSTR Compound Rates, the Input Data is the POLSTR value, so inaccurate Input Data relates to a miscalculation of POLSTR.

If an incorrect POLSTR value is identified on a given day, the Re-determination and Re-distribution Procedure of the POLSTR Compound Indices will apply (see below: **Procedures for dealing with errors; determining when a re-determination of the benchmark is required**).

Unreliable Input Data

The Administrator does not anticipate any situation in which the POLSTR values, as Input Data, would be unreliable. POLSTR is calculated by the Administrator and subject to Input Data reliability control rules.

Factors independent of the Administrator that may necessitate changes to, or the cessation of, the benchmark [art. 27(1)(c) of the BMR]. In the event of occurrences affecting the base index for the POLSTR Compound Indices Family, the Administrator assesses the impact of such events on the POLSTR Compound Indices Rates and, if a significant impact is identified, may initiate the discontinuation procedure.

The periodic review of the POLSTR Compound Indices belonging to the POLSTR Compound Indices Family, including validation elements, takes place on an annual basis, although the Administrator may carry out ad hoc reviews.

In accordance with the Method validation procedures, based on the ongoing validation of POLSTR, on which the POLSTR Compound Indices subject to the test are based, the Administrator may decide, where possible, to either amend the Method or discontinue the benchmark. The circumstances and actions undertaken by the Administrator in the event of modifications or discontinuation of the benchmark are defined in the Procedure of Review and Change of Interest Rate Benchmarks Methods, an extract of which is published on the [Administrator's website](#).

Impact of a change in the Method or cessation of provision of the benchmark on users [Art. 27(1)(d) BMR]

Changes in the POLSTR Compound Indices Method or potential cessation by the Administrator may significantly affect users, including:

- any financial contracts or instruments referencing POLSTR Compound Indices,
- the way investment fund performance is measured by management entities.

Benchmark users, in accordance with BMR rules, are required to adopt reliable plans specifying the actions they would take with their counterparties in the event of a material change to or cessation of provision of a given benchmark. Where possible and appropriate, such plans designate one or more alternative benchmarks that could be referred to in order to replace the benchmark which has been discontinued.

Method of determination [art. 27(2)(b-c of the BMR].

POLSTR Compound Rates for the backward-looking Administrator-predefined Reference Periods—1 month (1M), 3 months (3M), and 6 months (6M)—are interest rates calculated at the end of the selected Reference Period (calculated “from the bottom,” i.e., with a value known only at the end of the defined period). For a given POLSTR Index Date, the Compound Rate is the interest rate resulting from compounding the daily interest rates represented by a series of daily POLSTR values, whose index dates are the individual Business Days of the Reference Period (excluding the end date of the Reference Period).

The Method assumes that the end date of the Reference Period for which the value of a given index is determined is the POLSTR Compound Rate Date.

The Reference Period begins on the Business Day resulting from counting backward from the end date of the Reference Period by the specified predefined term in months (1M, 3M, or 6M). If the prospective start date of the Reference Period, meaning the first day for which the method applies the determined POLSTR value, is not a Business Day, the start of the Reference Period shall be the previous Business Day. The details of the day-count convention applied within the Method are presented in the Rules of the POLSTR Compound Indices Family.

The POLSTR Compound Index is the accumulated value of an investment, expressed in index points, with a specified starting value on the start date, which is updated, including interest compounding, on each subsequent POLSTR Index Date from the start date, in accordance with the interest rate equal to the POLSTR value on that Index Date. For the POLSTR Compound Index, the start date was set as 4 January 2021, and the start value was set at 100. The POLSTR Compound Index Date is identical to its publication date.

Rationale the adopted method [art. 27(2)(b) of the BMR]

The basis for determining the POLSTR Compound Rates was the demand from financial market participants for the creation of indices calculated for interest periods longer than *overnight* (O/N), allowing their direct use in financial contracts and instruments. Since POLSTR reflects the overnight interest rate and measures the state of the Reference Market on a given day, the index values for the 1M, 3M, and 6M terms, which are key maturities for market participants, are determined based on backward-looking Reference Periods, i.e., accumulating information on the development of POLSTR over the past 1, 3, or 6 months from the date of determination and publication of such an index.

Accordingly, the POLSTR 1M Compound Rate reflects the interest rate calculated by compounding POLSTR over a 1-month period, the POLSTR 3M Compound Rate reflects the interest rate calculated by compounding POLSTR over a 3-month period, and the POLSTR 6M Compound Rate reflects the interest rate calculated by compounding POLSTR over a 6-month period backward from the date these index values are determined.

The Method defines the principle for determining the start date of the Reference Period as the modified preceding day convention. This date convention is one of the methods used by benchmark administrators

for setting the start of a Reference Period and was chosen as applicable for POLSTR Compound Rates following consultations with professional financial market participants.

Change of the method and cessation of provision of the benchmark; outline of public consultation procedures concerning material changes to the method [art. 27(2)(a) of the BMR, art. 1(5) of the RTS].

The Administrator has adopted a definition of a “material change” to the Method and presented it in Annex 1 to the Rules of the POLSTR Compound Indices Family. According to this definition, a material change is a change to one of the key elements of the POLSTR Compound Indices Method or a significant change to the POLSTR index Method on which the POLSTR Compound Indices are based. This approach reflects the assumption that the Method will remain stable and that none of its material elements will be changed by the Administrator without first conducting public consultations with financial market participants.

In the event of a planned material change to the Method, the Administrator agrees on the scope and content of the consultation document with the independent Oversight Committee, a body established by the Administrator in accordance with BMR requirements, overseeing all aspects of the development of indices within the POLSTR Compound Indices Family.

The Administrator will publish the consultation document, describing the proposed change, on its [website](#), and will also send it individually to a group of stakeholders, primarily including:

- ✓ Data Contributors,
- ✓ users, i.e., entities entitled to apply and use the POLSTR Compound Indices under an agreement concluded with GPW Benchmark,
- ✓ industry associations of users,
- ✓ the National Bank of Poland,
- ✓ public authorities and public administration offices.

The Administrator sets a period of 8 weeks for submitting comments as the standard duration of one round of public consultations. This period may be shortened with the consent of the Oversight Committee if it is a subsequent consultation round or if the Administrator needs to respond to extreme market conditions.

The Administrator’s Management Board has the right to make the final decision on adopting or abandoning a material change to the Method after the publication of public consultation results and subject to the Oversight Committee’s approval of this decision.

Rationale for the adopted procedures for review and approval of the method [art. 27(2)(b) of the BMR]

To carefully consider the consequences of a potential material change to the Method and to provide justification for such a change, proposals for material changes are subject to public consultations as well as oversight and approval by the Oversight Committee.

The review and method change principles outlined above, available on the Administrator’s [website](#), allow for:

- ✓ timely notification of stakeholders about a possible material change,
- ✓ analysis by stakeholders,
- ✓ submission of comments regarding the impact of the proposed changes,
- ✓ responding to the submitted comments, and

- ✓ making a justified decision, in consultation with the Oversight Committee, on whether to implement or abandon the proposed change.

Characteristics of the input data [att. 27(2)(c) of the BMR]

To determine the POLSTR Compound Rates on a given Business Day, the POLSTR values from the adopted Reference Period are used. The POLSTR Compound Rate values constitute a mathematical transformation of the POLSTR values.

POLSTR values are determined by the Administrator in accordance with the method specified in the Rules of the POLSTR Interest Rate Index. POLSTR values do not constitute input data provided by the Data Contributors and are generated solely based on transaction data that are Input Data for POLSTR calculation.

The POLSTR Compound Indices Method does not provide for prioritizing specific types of Input Data, nor does it use models or methods for extrapolating data from other markets.

Exercise of expert judgement and discretion; controls and evaluation measures [art. 27(1)(b), 27(2)(d) of the BMR]

The Method does not allow for the use of discretion (based on expert judgment) regarding the use of Input Data in calculating the index by the Administrator. The POLSTR Compound Rates Method does not permit any actions aimed at adjusting the calculated POLSTR Compound Rate values in response to any unexpected market events.

Procedures to be applied in stress periods or in periods where transaction data sources may be insufficient, inaccurate or unreliable [art. 27(2)(e) of the BMR, art. 1(3) of the RTS]

The determination of POLSTR Compound Rates depends on the current availability of POLSTR index values.

If there are insufficient transaction data sources to determine the POLSTR values, i.e., the base index, sufficient to meet the minimum conditions established by the Administrator for calculating POLSTR, a fallback procedure for POLSTR determination is applied, and the POLSTR Compound Rates continue to be determined in accordance with the adopted Method.

If extraordinary market events prevent the determination and publication of POLSTR by 12:00 p.m. on a given Business Day, the POLSTR value will not be determined, made available, or published that day. In such a case, the POLSTR Compound Rate values are also considered not determined.

Procedures for dealing with errors; determining when a re-determination of the benchmark is required [art. 27(2)(f) of the BMR]

The Administrator has adopted the Re-determination and Re-distribution Procedure of the POLSTR Compound Indices, under which, if POLSTR values are re-determined and re-distributed due to an erroneous determination noted by 11:30, or if the Administrator identifies an incorrect determination of POLSTR Compound Rates for other reasons, it is necessary to re-determine and re-distribute the POLSTR Compound Rates on that Business Day. In the event of a required re-determination of POLSTR Compound Rates, the re-distribution of the re-determined values occurs at 12:00 p.m. or shortly after.

Potential limitations of the indices, including their operation in non-liquid markets and in the case of concentration of input data [art. 27(2)(g) of the BMR]

In the event that the POLSTR Reference Market, which serves as the Reference Market for POLSTR Compound Rates—namely the POLSTR 1M, 3M, and 6M Compound Rates—becomes temporarily or permanently inactive, for example, if the number of active participants providing data decreases or the Eligible Transaction Pool becomes permanently insufficient to determine POLSTR using the standard method, the Administrator will promptly review the methodological assumptions of both POLSTR and the POLSTR Compound Indices.

In the event of persistent adverse market conditions resulting in frequent application of the fallback procedure for POLSTR determination, the Administrator shall conduct a review of the POLSTR Methodology. The outcome of this review may be a modification of the POLSTR methodology, a decision to discontinue POLSTR, or a decision to discontinue the POLSTR Compound Indices.

Interest rate benchmark – specific requirements [art. 1(1)(d) of the RTS, art. 3 of the RTS]

Each index from the POLSTR Compound Indices Family is intended for use as an interest rate benchmark within the meaning of Article 3(1)(22) of the Benchmarks Regulation.

As such, they are subject to the requirements set out in Annex I to the BMR, namely:

- ✓ the requirement to be based on accurate and sufficient data, which the Administrator fulfils by applying rigorous and precise methods for preparing the Eligible Transaction Pool for the base index, i.e. POLSTR, procedures concerning the quality of the Eligible Transaction Pool for POLSTR, the Main Adjustment procedure, and the use of a verifiable algorithm (formula) for determining POLSTR, followed by the application of appropriate formulas for determining the Compound Rates and the Compound Index;
- ✓ the requirement to have an independent supervisory body, which the Administrator fulfils by establishing an independent Oversight Committee overseeing all aspects of the provision of the POLSTR Compound Indices;
- ✓ the requirement to undergo an external audit within 6 months after the entry into force of the Code of Conduct, and subsequently every 2 years;
- ✓ The requirement to implement systems and control measures for the Data Contributor in the process of determining the base index – POLSTR, which the Administrator fulfils by introducing the Code of Conduct, obliging each Data Contributor to strictly comply with its provisions, and enforcing the Code of Conduct in the manner set out therein.

Reviews and updates of the benchmark statement [art. 27(1) of the BMR].

The Statement is subject to regular review, at least every two years, or whenever there are material changes to the Method.

Regulated data benchmarks [art. 1(1)(d) of the RTS]

The indices from the POLSTR Compound Indices Family do not qualify as regulated-data benchmarks.

Significant and non-significant benchmarks [art. 1(1)(d) of the RTS].

Each index from the POLSTR Compound Indices Family is intended for use as an interest rate benchmark within the meaning of the Benchmarks Regulation.

At the time of publication of this statement, the indices from the POLSTR Compound Indices Family are not yet used by financial market participants, which means they do not constitute interest rate benchmarks under the Benchmarks Regulation.

Commodity benchmark [art. 1(1)(d) of the RTS]

Interest rate benchmarks do not qualify as commodity benchmarks.

Critical benchmarks [art. 1(1)(d) of the RTS]

Currently, none of the indices from the POLSTR Compound Indices Family constitutes a critical benchmark within the meaning of the Benchmarks Regulation, subject to the special European supervisory regime.

EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks [art. 27(2a) of the BMR]

Interest rate benchmarks do not qualify as EU Climate Transition Benchmarks or EU Paris-aligned Benchmarks.

Environmental, social policy and corporate governance factors [art. 27(2a) of the BMR]

The methodologies for determining interest rate benchmarks do not take ESG factors into account.

Alignment with carbon reduction target, achievement of the Paris Agreement targets [art. 27(2a) of the BMR]

The methodologies for determining interest rate benchmarks do not take into account the achievement of carbon dioxide emission reduction targets or the goals of the Paris Agreement.

This statement supplements the following documentation, published on [the Administrator's website](#):

- ✓ Rules of the POLSTR Compound Indices Family
- ✓ Code of Conduct for the Family of Transaction-Based Benchmarks
- ✓ Conflict of interest management policy at GPW Benchmark S.A.
- ✓ Procedure of Review and Change of Interest Rate Benchmarks Methods (excerpt)
- ✓ Information on the complaints handling procedure
- ✓ List of Key Terms for the POLSTR Interest Rate Index and the POLSTR Compound Indices Family (annex to this statement)