
RULES OF THE POLSTR COMPOUND INDICES FAMILY

Rules of the POLSTR Compound Indices Family, adopted by the Resolution of the Management Board of GPW Benchmark S.A. No. 62/2025 of 23.05.2025		
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Changes to the text:		
Resolution	change	entry into force
120/2025 of 31.07.2025	Introduction of points 6.3 and 6.4 regarding determined value of POLSTR Compound Indices on days following the undetermined value of the POLSTR Compound Indices, change of the title of point 6	1.09.2025

DEFINITIONS

Benchmarks Regulation	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) 596/2014
Business Day	a calendar day, with the exception of Saturdays, Sundays and statutory holidays, on which Data Contributors operate on the Polish money market
Index	each of the indices indicated in point 2.1 of the Rules
Index Date	in accordance with the Rules of POLSTR Interest Rate Index
Key Element of the Method	an element of the Method, the change of which may be considered as a material change referred to in Article 13(1)(c) of the Benchmarks Regulation
Licence Agreement	an agreement between the administrator and the User, which entitles to use and apply the Indices
Oversight Committee	the Oversight Committee of Interest Rate Benchmarks, performing the oversight function as defined in Art. 5 of the Benchmarks Regulation
POLSTR Compound Indices Method/Method	the principles of selection of the Input Data and determination of all POLSTR Compound Indices
POLSTR Compound Rate Index Date	the Reference Period end date, i.e. the next Business Day after the POLSTR Index Date, which is the last one used to determine the POLSTR Compound Rate
POLSTR Single-Base Index Date	the next Business Day after the POLSTR Index Date, which is the last one used to determine the POLSTR Single-Base Index
Reference Period	the period for which the interest rate is determined in accordance with the compounded-interest method, based on the values of the POLSTR, where the Index Dates are Business Days included in this period (excluding the Reference Period end date)
Reference Period Start Date Determination Convention	the rules of determination of the Reference Period start date on the basis of the Reference Period end date, adopted by the administrator
User	an entity entitled to use and apply the POLSTR Compound Indices

1. GENERAL PROVISIONS

1.1. The Rules

1.1.1. The Rules of POLSTR Compound Indices Family (hereinafter: "the Rules") specify:

- a) the definition of POLSTR Compound Indices and description of the reference market, the measurement of which is the purpose of providing the POLSTR Compound Indices,
- b) the rules for publication and distribution of POLSTR Compound Indices' values,
- c) the description of Input Data and the rules of priority of their use under the Method,
- d) the procedure of the administrator in case of the need to re-determine and re-distribute the corrected POLSTR Compound Indices' values,
- e) the procedure in the circumstances where the Input Data are insufficient,
- f) the list of Key Elements of the POLSTR Compound Indices Method and the definition of the material change thereof.

1.1.2. The rules for the cyclical review of the definition and the method, the rules for consulting on the proposed material change in the method and the rules for cessation of providing the POLSTR Compound Indices are set out in a separate Procedure of Review and Change of the Methods of Interest Rate Benchmarks Methods, an excerpt of which is published in accordance with point 1.2.1 of the Rules.

1.1.3. The rules of permanent oversight over the provision of POLSTR Compound Indices by GPW Benchmark S.A. (the administrator), carried out by the Oversight Committee, is defined in separate Regulations of the Oversight Committee on Interest Rate Benchmarks published in accordance with point 1.2.1.

1.1.4. Undefined terms written in capital letters in the Rules have the meaning given in the Transaction-based Benchmarks Family Code of Conduct.

1.2. Exchange of information between the administrator and the Users

1.2.1. The administrator provides the Users with announcements and relevant documents by posting them on gpwbenchmark.pl website.

1.2.2. The Users communicate with the administrator by using the contact details published in accordance with point 1.2.1 or in the manner indicated in the concluded Licence Agreements.

1.3. Right to use the POLSTR Compound Indices

1.3.1. The right to use and apply POLSTR Compound Indices results from the Licence Agreement, the template of which is published in accordance with point 1.2.1.

1.4. Complaints

1.4.1. The principles for submitting and dealing with complaints to the administrator are published in accordance with point 1.2.1, in the POLSTR Compound Indices documentation section.

1.4.2. Complaints are dealt with by the administrator immediately, in a fair manner, without the participation of persons directly involved in the POLSTR Compound Indices determination process.

2. LIST OF INDICES OF THE POLSTR COMPOUND INDICES FAMILY

2.1. The POLSTR Compound Indices Family includes:

2.1.1. the POLSTR Compound Rates for backward-looking predefined periods:

- a) POLSTR 1M Compound Rate
- b) POLSTR 3M Compound Rate
- c) POLSTR 6M Compound Rate

2.1.2. the Compound Index¹

- a) POLSTR Compound Index

3. POLSTR COMPOUND INDICES: DEFINITION AND METHOD

3.1. Definition of the POLSTR Compound Indices of the POLSTR Compound Indices Family:

3.1.1. The POLSTR Compound Rate reflects the interest rate calculated in accordance with the compound interest method resulting from the compound of the one-day rates expressed by daily POLSTR values over a given backward-looking predefined period:

- a) The POLSTR 1M Compound Rate reflects the interest rate calculated on the basis of compounding POLSTR over a 1-month period.
- b) The POLSTR 3M Compound Rate reflects the interest rate calculated on the basis of compounding POLSTR over a 3-month period.
- c) The POLSTR 6M Compound Rate reflects the interest rate calculated on the basis of compounding POLSTR over a 6-month period.

3.1.2. The POLSTR Compound Index is the accumulated value of an investment earning interest at the POLSTR interest rate, expressed in index points.

3.1.3. The POLSTR Compound Indices Family is a family of benchmarks within the meaning of Article 3(1)(4) of the Regulation on Benchmarks, since:

- a) the POLSTR Compound Indices are determined on the basis of Input Data of the same nature,
- b) the Indices of the POLSTR Compound Indices Family intend to measure the same reference market, specified in point 3.2.1 of the Rules.

3.1.4. Each index of the POLSTR Compound Indices Family is intended to be used as an interest rate benchmark within the meaning of Article 3(1)(22) of the Benchmarks Regulation.

3.1.5. The POLSTR 1M Compound Rate, POLSTR 3M Compound Rate and POLSTR 6M Compound Rate are determined and published with accuracy of 5 decimal places.

3.1.6. The POLSTR Compound Index is determined and published with accuracy of 8 decimal places, with a start value of 100.

3.2. The POLSTR Compound Index Family Reference Market and Measurement Principles

3.2.1. The POLSTR Compound Indices intend to reflect the behaviour of the wholesale money market, which POLSTR targets to measure, over time.

3.2.2. POLSTR Compound Indices are the mathematical transformation of POLSTR values.

¹ i.e. an index for which a specific calculation start date has been specified as the basis for calculating the compound interest – see: point 3.4.3 of the Rules.

3.3. Input Data

- 3.3.1. As Input Data for determining the POLSTR Compound Indices, the administrator uses the POLSTR values, determined and distributed in real time in accordance with the Rules of the POLSTR Interest Rate Index.
- 3.3.2. Data on POLSTR values, used as Input Data for POLSTR Compound Indices, reflect the average level of the volume-weighted interest rate, where "volume" is understood as the nominal value, of Deposit Transactions in PLN (Polish zloty) with O/N maturity concluded in the wholesale money market, and are fully verifiable.
- 3.3.3. The provisions of the Benchmark Regulation regarding the priority of Input Data do not apply to the POLSTR Compound Indices Family.
- 3.3.4. The POLSTR Compound Indices Method does not provide for the use of extrapolation models or methods by the administrator.
- 3.3.5. The POLSTR Compound Indices Method does not provide for the exercise of discretion in relation to Input Data by the administrator.

3.4. The POLSTR Compound Indices Method

3.4.1. The POLSTR Compound Rate - determination method

- a) The POLSTR Compound Rate is determined for a given Index Date of the POLSTR Compound Rate as an interest rate resulting from the compounding of interest resulting from a number of POLSTR values, the Index Dates of which are individual Business Days of the Reference Period (excluding the Reference Period end date), for which the Reference Period end date is the Index Date and the Reference Period start date is the Business Day resulting from the shift of the Reference Period end date back by a predefined period (i.e. 1M, 3M or 6M) in accordance with the Reference Period Start Date Determination Convention specified in point 3.4.2.
- b) The algorithm for determining the POLSTR Compound Rate for the predefined period x:

$$CR_{x,y} = \left[\left(\prod_{i=1}^{bd} \left(1 + \frac{POLSTR_i * a_i}{365} \right) \right) - 1 \right] * \frac{365}{d}$$

where:

- $CR_{x,y}$ – the value of the POLSTR Compound Rate² for the predefined period x (i.e. 1M, 3M or 6M) and the Index Date of the POLSTR Compound Rate y; the value of $CR_{x,y}$ is determined with accuracy of 5 decimal places³.

$POLSTR_i$ – the value of the POLSTR, for which the Index Date is the i -th Business Day belonging to the Reference Period determined for a given value of $CR_{x,y}$ (algorithm for determining the Reference Period – see: 3.4.2).

- a_i – number of calendar days for which the $POLSTR_i$ is applied.⁴

² The POLSTR Compound Rate and POLSTR are interest rates, i.e. the POLSTR Compound Rate can be equal to 5.12345%, which reflects the number 0.0512345, and the POLSTR can be equal to 5.123%, which corresponds to the number 0.05123.

³ Rounding refers to index value expressed in %, e.g. the index value rounded to 5 decimal places is 5.12345%.

⁴ E.g. the value of POLSTR for which the Index Date is Monday is valid for one day – until Tuesday (if a given Tuesday is a Business Day), and the value of POLSTR index for which the Index Date is Friday is valid for 3 days – until Monday (if a given Monday is a Business Day).

- bd – the number of Business Days in the Reference Period determined for a given value of $CR_{x,y}$, including the Reference Period start date and excluding the Reference Period end date.

- d – number of calendar days in the Reference Period determined for a given value of $CR_{x,y}$, including the Reference Period start date and excluding the end date.

3.4.2. Reference Period Start Date Determination Convention

- i. The Reference Period end date is the POLSTR Compound Rate Index Date.
- ii. The start date of the Reference Period is the Business Day resulting from the shift of the Reference Period end date back by a predefined period (i.e. 1M, 3M or 6M) in accordance with the “modified preceding” convention, which is the following:

If a potential Reference Period start date, i.e. resulting from the calendar shift⁵ of a given Reference Period end date backwards by a certain number of months, would fall on a day that is not a Business Day or a non-existent day (e.g. 30th February), then the nearest Business Day preceding this potential Reference Period start date is selected as the Reference Period start date, unless it falls already in the month preceding the month of the potential Reference Period start date. In this case, the nearest Business Day following the potential Reference Period start date shall be selected as the Reference Period start date. If, in turn, the potential Reference Period start date is a Business Day, that Business Day is selected as the Reference Period start date.

3.4.3. The POLSTR Compound Index - determination method

- a) The POLSTR Compound Index, expressed in index points, is the accumulated value of an investment with a determined start value on the start date which is renewed, taking into account interest capitalization, on each subsequent POLSTR Index Date starting from the start date, in accordance with the interest rate equal to the value of POLSTR on that Index Date;
- b) The Index Date of the POLSTR Compound Index is identical to the date of its publication;
- c) For the POLSTR Compound Index, the start date has been set for January 4, 2021, and the start value for 100;
- d) The algorithm for determining the POLSTR Compound Index:

$$CI_y = \begin{cases} CI_0, & y = 0 \\ CI_{y-1} * \left(1 + \frac{POLSTR_{y-1} * a_{y-1}}{365}\right), & y > 0 \end{cases}$$

where:

- CI_y – value of the POLSTR Compound Index as of the Index Date of the POLSTR Compound Index y ; the value of CI_y is determined with accuracy of 8 decimal places,⁶ whereby the unrounded value of CI_{y-1} is used for its determination.

⁵ e.g. the result of a calendar shift of the n -th day of a given month by 1 month is the n -th day of the previous month.

⁶ Rounding refers to index value expressed in index points, e.g. the index value rounded to 8 decimal places is 100.12345678.

- CI_0 – the start value of the POLSTR Compound Index ($y=0$ is the start date).
- $POLSTR_{y-1}$ – POLSTR value⁷ as of the Index Date $y-1$, i.e. the Business Day preceding the Index Date of the POLSTR Compound Index y .
- a_{y-1} – the number of calendar days, for which the POLSTR value as of the Index Date $y-1$, i.e. $POLSTR_{y-1}$, is applied⁸;

- e) Method for determining a compound interest rate for any Reference Period based on the POLSTR Compound Index:

By means of the algorithm presented below, the POLSTR Compound Index may be used to determine a compound interest rate for any Reference Period:

$$CIR_{k,l} = \left(\frac{CI_l}{CI_k} - 1 \right) * \frac{365}{d}$$

where:

$CIR_{k,l}$ - value of the compound interest rate for the Reference Period, whose Reference Period start date is k , and whose Reference Period end date is l . Possible to determine in the case of determining CI_k and CI_l .

CI_k, CI_l - values of the POLSTR Compound Index for Index Dates of the POLSTR Compound Index k and l .

d - the number of calendar days in the Reference Period, whose Reference Period start date is k , and whose Reference Period end date is l , including the Reference Period start date and excluding the Reference period end date.

$d \leq 365$.

4. PUBLICATION AND DISTRIBUTION OF THE POLSTR COMPOUND INDICES

- 4.1. The POLSTR Compound Indices shall be published on the administrator's website on each Business Day on which they are determined at 12:55 p.m. or shortly after.
- 4.2. The administrator shall make available the values of the POLSTR Compound Indices in real time, i.e. at 8:55 a.m. or shortly after, through data distributors and under conditions specified by the latter.

5. THE POLSTR COMPOUND INDICES RE-DETERMINATION AND RE-DISTRIBUTION PROCEDURE

- 5.1. The Re-determination and Re-distribution Procedure of the POLSTR Compound Indices shall be applied if:
 - 5.1.1. POLSTR values are re-determined and re-distributed due to the application of the Re-determination and Re-distribution Procedure of the POLSTR Compound Indices, or
 - 5.1.2. the administrator identifies incorrect determination of the values of the POLSTR Compound Indices for reasons other than indicated in point 5.1.1.
- 5.2. In the circumstances referred to in point 5.1.1 or 5.1.2, the values of the POLSTR Compound Indices shall be re-determined and re-distributed.
- 5.3. The POLSTR Compound Indices shall be re-distributed at 12:00 p.m. or shortly after.

⁷ The POLSTR Index is an interest rate, which means that it can be equal to e.g. 5,123%, which corresponds to the number 0,05123.

⁸ E.g. the value of POLSTR for which the Index Date is Monday is valid for one day – until Tuesday (if a given Tuesday is a Business Day), and the value of POLSTR index for which the Index Date is Friday is valid for 3 days – until Monday (if a given Monday is a Business Day).

6. UNDETERMINED VALUE OF THE POLSTR COMPOUND INDICES AND DETERMINED VALUE OF POLSTR COMPOUND INDICES ON DAYS FOLLOWING THE UNDETERMINED VALUE OF THE POLSTR COMPOUND INDICES

- 6.1. The POLSTR Compound Indices shall be deemed undetermined on a given Business Day if POLSTR value is not distributed by 12:00 p.m. or shortly after.
- 6.2. In the circumstances referred to in point 6.1, the publication referred to in point 4.1 does not take place.
- 6.3. Should POLSTR be undetermined for a given Business Day within the POLSTR Compound Rate Reference Period (excluding the Reference Period end date), the last determined POLSTR value for the POLSTR Index Date preceding the Business Day on which the POLSTR was undetermined shall be adopted to determine the POLSTR Compound Rate for the POLSTR value for the Business Day on which the POLSTR was undetermined.⁹
- 6.4. Should POLSTR be undetermined for a given Business Day, the last determined POLSTR value for the POLSTR Index Date preceding the Business Day on which the POLSTR was undetermined shall be adopted to determine the POLSTR Compound Index for the POLSTR value for the Business Day on which the POLSTR was undetermined.¹⁰

7. FINAL PROVISIONS

- 7.1. Amendments to the Rules
- 7.1.1. The Administrator, upon obtaining a positive opinion from the Oversight Committee, may amend the Rules.
- 7.1.2. The Administrator shall publish the announcements on any changes to the Rules and the dates of their entry into force in accordance with point 1.2.1.
- 7.1.3. Amendments to the Rules shall come into force on the day indicated in the communication concerning the amendment to the Rules, but not earlier than 30 days after the text of the amended Rules is published on the website in accordance with point 1.2.1.
- 7.1.4. The administrator may decide on entry into force of an amendment to the Rules after a shorter period of time than indicated in point 7.1.3, if the amendment adapts the Rules to binding legal provisions, stems from supervisory activities of the Polish Financial Supervision Authority, or for User safety reasons.

⁹ For instance, let's assume all weekdays from Monday to Friday in a given week were Business Days. Let's make an additional assumption that on Wednesday and Thursday that week POLSTR was undetermined and undistributed, which means that POLSTR values as of the Index Date for Tuesday and Wednesday were undetermined and undistributed. Failure to determine POLSTR on Wednesday and Thursday means that compound indices values, such as for instance the POLSTR 1M Compound Rate, as at those days and for those days have not been determined and distributed. Therefore, should the factors that prevented determination and distribution of index values on Wednesday and Thursday subside, and POLSTR value and, for example the POLSTR 1M Compound Rate, can be determined and distributed on Friday, the compound index shall be determined, assuming that last determined and published POLSTR values, i.e. the values determined on Tuesday for the Index Date falling on Monday, shall be used in place of the undetermined values on Wednesday and Thursday for the Index Date falling on Tuesday and Wednesday.

¹⁰ For instance, let's assume all weekdays from Monday to Friday in a given week were Business Days. Let's make an additional assumption that on Wednesday and Thursday that week POLSTR was undetermined and undistributed, which means that POLSTR values as of the Index Date for Tuesday and Wednesday were undetermined and undistributed. Failure to determine POLSTR on Wednesday and Thursday means that the POLSTR Compound Index as at those days and for those days have not been determined and distributed. Therefore, should the factors that prevented determination and distribution of index values on Wednesday and Thursday subside, and POLSTR value and the POLSTR Index can be determined and distributed on Friday, the compound index shall be determined, assuming that last determined and published POLSTR values, i.e. the values determined on Tuesday for the Index Date falling on Monday, shall be used in place of the undetermined values on Wednesday and Thursday for the Index Date falling on Tuesday and Wednesday.

8. ENTRY INTO FORCE

8.1. The Rules shall enter into force on 2 June 2025.

Annex 1. "Material change" to the POLSTR Compound Indices Method

1. A material change to the Method is a change to any of the Key Elements of the POLSTR Compound Indices Method and any Material Change to the POLSTR Method.
2. The administrator has defined the following Key Elements of the POLSTR Compound Indices Method:
 - a. for POLSTR 1M Compound Rate, POLSTR 3M Compound Rate, POLSTR 6M Compound Rate:
 - i. **Input Data (base index)** – POLSTR
 - ii. **Reference Period Start Date Determination Convention**
 - iii. **rounding accuracy**
 - b. for POLSTR Compound Index Method:
 - i. **Input Data (base index)** – POLSTR
 - ii. **base date (start date)** – 4 January 2021
 - iii. **base value (start value)** – 100
 - iv. **rounding accuracy**