

# REGULATIONS FOR THE WIBID AND WIBOR REFERENCE RATES

| <b>Regulations for the WIBID and WIBOR Reference Rates, adopted by the Management Board Resolution No. 16/2020 of 3 March 2020 (as amended)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
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| <b>Changes to the text:</b>                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  |
| Resolution                                                                                                                                      | changes                                                                                                                                                                                                                                                                                                                                                                                                                                            | entry into force |
| 48/2019 of 6.12.2019                                                                                                                            | Original version of the Regulations adapted to the requirements of Benchmarks Regulation                                                                                                                                                                                                                                                                                                                                                           | 04.02.2020       |
| 16/2020 of 03.03.2020                                                                                                                           | Adoption of new text in place of the version of 6 December 2019-editorial changes clarifying the Method of Determining the Reference Rates (point 4.2) and the definition of Material Change of the Method (points 16.2.4 and 16.5.1)                                                                                                                                                                                                              | 04.05.2020       |
| 16/2021 of 29.01.2021                                                                                                                           | Correction of point 16.2.3 of Annex 1 - Description of the Method concerning the Fixing Times                                                                                                                                                                                                                                                                                                                                                      | 01.03.2021       |
| 19/2021 of 15.02.2021                                                                                                                           | Correction of wording in point 12.1.2 (change of Fixing Participant criteria) and the addition of point 12.3 (periodic review of Fixing Participant criteria) in Annex 1 - Description of the Method                                                                                                                                                                                                                                               | 16.04.2021       |
| 1/2022 of 05.01.2022                                                                                                                            | Corrections regarding the definition of a "Credit Institution" (branches of a credit institution and a foreign bank), disclosure and management of conflicts of interest (point 5.4.2), disclosure of complaints rules (point 8), the Fixing Participant criteria for a branch of a credit institution and a foreign bank (point 12.1 and the new wording of point 12.2 of Annex 1 - Description of the Method), editorial correction of point 6.2 | 07.03.2022       |
| 73/2023 of 17.07.2023                                                                                                                           | Suspension of the preparation and contribution of the Input Data to the Administrator by the Fixing Participant points 13.7 - 13.8 and 16.2.5;                                                                                                                                                                                                                                                                                                     | 18.07.2023       |
| 73/2023 of 17.07.2023                                                                                                                           | Points 16.3 - 16.5; revision of Materiality Criteria levels point 16.6; Replacement of "suspension of development" with "suspension of Fixing"; other stylistic and editorial changes                                                                                                                                                                                                                                                              | 16.08.2023       |
| 56/2025 of 07.05.2025                                                                                                                           | Change in Annex No. 1 - Description of the Reference Rates Method in point 16.6.1(c)                                                                                                                                                                                                                                                                                                                                                               | 09.06.2025       |
| 158/2025 of 21.11.2025                                                                                                                          | Changes of points 5.1, 6.1, 10.1 and the title of point 12; addition of points 6.3, 7.4-7.5, 12.3-12.4; Changes in Annex 1: changes of points 2.6.1, 4.1, 4.2.4-4.2.5, addition of "and in the case of the WIBOR also" after                                                                                                                                                                                                                       | 22.12.2025       |

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                        | point 4.2.7, 4.10-4.12, 4.14-4.17, 4.22, 5.1, 6.1, 6.24.1-6.24.2, 8.7, 8.8.1, 10.1.6, 11.1.3, 11.4.1, 11.6-11.7, 16.2.3, 16.6.1 a), 16.6.1 c), removal of points 4.2.2-4.2.4, 6.24.4, addition of points 2.7-2.9, 4.2.5, 4.3, 4.21, 16.7;<br>Addition of Annex 2 – Algorithmic Method for determining the Wibor Reference Rate for the 1Y Fixing Tenor during the run-off period, renumbering of Annex 2 into 3, changes in the definitions of: "Fixing", "Fixing Time", "Waterfall Method/Method", "Reference Rates Method", addition of the definitions "Algorithmic Method", the WIBID SW and the WIBOR SW" |            |
| 165/2025 of 01.12.2025 | Changes in Annex 1: addition of points 10.1.1 and 10.1.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 02.01.2026 |
| 11/2026 of 20.01.2026  | Changes to Annex 1: amendment of points 2.8 and 10.1; addition of the following definitions: "Questionnaire of Limits", "Availability Questionnaire", "Non-Transactional Data"; amendment of the definitions of: "Fixing Time", "FINREP Instruction", "Credit Institution", "Method of Determining the Reference Rates", "Technical Standards";<br>Addition of point 12.6.                                                                                                                                                                                                                                     | 20.02.2026 |
| 32/2026 of 27.02.2026  | Changes to Annex 1 in points: 4.4; 4.5; 4.5.1-4.5.3; 4.11; 4.12; 4.16; 4.17; 4.19; 4.21; 4.23; 4.25-4.27; 4.32; 4.36; 7.1; 7.4.1; 9.2; 9.2.1; 13.8; 16.2.1; 16.2.3.<br>Addition of points in Annex 1: 4.6-4.8.4; 4.17; 9.2.2-9.2.4; 10.2-10.2.5.<br>Deletion of point 13.7.<br>Introduction of Annex 3; addition of the definition: "Market Capacity"                                                                                                                                                                                                                                                          | 01.04.2026 |
| 47/2026 of 26.03.2026  | Repeal of the changes introduced by Resolution No. 32/2026 of 27.02.2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 26.03.2026 |
| 48/2026 of 26.03.2026  | Addition of point 12.6.<br>Changes to Annex 1 in points: 4.4; 4.5; 4.5.1-4.5.3; 4.11; 4.12; 4.16; 4.17; 4.19; 4.21; 4.23; 4.25-4.27; 4.32; 4.36; 7.1; 7.4.1; 9.2; 9.2.1; 13.8; 16.2.1; 16.2.3.<br>Addition of points in Annex 1: 4.6-4.8.4; 4.17; 9.2.2-9.2.4; 10.2-10.2.5.<br>Deletion of point 13.7.<br>Introduction of Annex 3; addition of the definition: "Market Capacity"                                                                                                                                                                                                                               | 01.06.2026 |
| 72/2026 of 30.04.2026  | Amendment to point 14.1.2 of Annex 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 30.04.2026 |
| 81/2026 of 18.05.2026  | Changes to points: 1.; 7.1.-7.3.; 9.1;<br><br>Adding: point 12.6; points 7.3.1.-7.3.2; points 7.6.-7.7.;<br><br>In Annex 3, adding the following definitions: "Effective Date of the Orderly Wind-down Period"; "Orderly Wind-down Period"; "Transitional Period"; "Rules for Granting Licences for the Use and Apply of Benchmark Indices in Debt Securities"                                                                                                                                                                                                                                                 | 18.06.2026 |
| 103/2026 of 25.06.2026 | In Annex 1, a new point 10.1.2 is added, and existing points 10.1.2-10.1.7 are renumbered 10.1.3-10.1.8, respectively.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 27.07.2026 |
| 139/2026 of 28.08.2026 | Amendments to points 5.1, 7.5-7.7, 12.5; deletion of points 6.3, 7.4, and 12.4;<br>In Annex 1: amendments to points 2.8, 4.14, 4.16-4.17, 4.22, 6.1, 10.1.8, 11.4, 12.1.2, 12.2, 14.1.5, 16.2.3, 16.6.1(a), and 16.6.1(c). Deletion of points 4.2.1, 4.15, 4.18, 6.24.1, 11.1.3, 11.9.<br>Amendment to the title of Annex 3 and amendments to points 1.3.2, 1.8.3, and 1.11;<br>In Annex 4: amendments to the definitions of "Fixing Time", "WIBID SW, WIBOR SW".                                                                                                                                              | 01.10.2026 |

**Translation according to the legal condition as of 28<sup>th</sup> August 2026.**

**NOTE: Only the Polish version of this document is binding. This translation is provided for information only, although all efforts have been made to ensure its accuracy.**

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## **1. INTRODUCTION**

In order to maintain the reliability and representativeness of the WIBID and WIBOR Reference Rates, as well as the transparency of their provision, the Administrator presents these Regulations which specify the rules of provision and publication of the Reference Rates, the role of the Administrator and the Oversight Committee of Interest Rate Benchmarks and the rules of use of the Reference Rates by the Reference Rates' Users.

The Reference Rates determined by the Administrator remain subject to the Orderly Wind-down Period.

## **2. THE ADMINISTRATOR**

2.1. The Administrator has control over provision of the WIBID and WIBOR Reference Rates through:

- 2.1.1. administering the arrangements for determining the Reference Rates,
- 2.1.2. collecting, analysing and processing the Input Data for the purpose of determining the Reference Rates,
- 2.1.3. determining the Reference Rates in accordance with the Method of Determining the Reference Rates.

## **3. THE OVERSIGHT COMMITTEE OF INTEREST RATE BENCHMARKS**

- 3.1. The Administrator establishes and maintains the Oversight Committee of Interest Rate Benchmarks, which is a permanent oversight function over interest rate benchmarks within the meaning of the Benchmarks Regulation, for the purpose of ensuring oversight of all aspects of the provision of interest rate benchmarks within the meaning of the Benchmarks Regulation, in particular the Reference Rates.
- 3.2. The Administrator provides support to the Oversight Committee of Interest Rate Benchmarks and access to documents, information and materials necessary to carry out the tasks of the Oversight Committee of Interest Rate Benchmarks.
- 3.3. The rules of procedure of the Oversight Committee of Interest Rate Benchmarks, including the selection and appointment of its members, are laid down in the Regulations of the Oversight Committee of Interest Rate Benchmarks published by the Administrator in accordance with point 4.1.

## **4. EXCHANGE OF INFORMATION BETWEEN THE ADMINISTRATOR AND THE REFERENCE RATES' USERS**

- 4.1. Information and documents addressed to Entities Using Reference Rates are shared by the Administrator by publishing them on the website of the Administrator: <https://gpwbenchmark.pl/en-home>.
- 4.2. Reference Rates' Users communicate with the Administrator using contact information provided on the website of the Administrator in the manner indicated in the Agreements for the Use of Reference Rates concluded with them.

## **5. REFERENCE RATES**

- 5.1. The Administrator determines the Reference Rates in accordance with the Method of Determining the Reference Rates, on the basis of Quotes contributed by Fixing Participants to the Administrator, within the Fixing, except for the WIBOR for the 1Y Fixing Tenor, which during the run-off period is calculated based on the Algorithmic Method.
- 5.2. Definitions of Quotes, the rules of their determination and distribution, the Fixing Participant Criteria and their duties, are specified in WIBID and WIBOR Fixing Participant Code of Conduct, published by the Administrator in accordance with point 4.1.

- 5.3. In the Description of the Reference Rates Method, i.e. Annex 1 to the Regulations, published by the Administrator in accordance with point 4.1, the Administrator has laid down a description of:
- 5.3.1. the Reference Rates Method in accordance with Article 13(1)(a) of the Benchmarks Regulation,
  - 5.3.2. the Input Data, including a description of the types of Input Data and the priority and hierarchy of their use in the Reference Rates Method, in accordance with Article 11(1)(c) of the Benchmarks Regulation,
  - 5.3.3. arrangements that identify the circumstances in which the quantity or quality of Input Data falls below the standards necessary for the Reference Rates Method to determine the Reference Rates accurately and reliably, and that describe how the Reference Rates are to be determined in such circumstances, in accordance with Article 12(3) of the Benchmarks Regulation,
  - 5.3.4. details of the internal review and the approval of Reference Rates Method in accordance with Article 13(1)(b) of the Benchmarks Regulation,
  - 5.3.5. the consultation procedures on any proposed change in the Reference Rates Method that is considered to be a material change, in accordance with Article 13(1)(c) of the Benchmarks Regulation.
- 5.4. The Administrator commits additionally to publish, in accordance with point 4.1, the following documents and information required under the Benchmarks Regulation:
- 5.4.1. the Benchmark Statement,
  - 5.4.2. the declaration of conflicts of interest,
  - 5.4.3. the key assumptions of the Procedure of receiving, investigating and retaining records concerning complaints made,
  - 5.4.4. the terms and conditions of membership in the Oversight Committee of Interest Rate Benchmarks and its composition.
- 5.5. Any time references in these Regulations and the Reference Rates Method relate to the Central European Time.

## **6. PUBLICATION OF THE REFERENCE RATES**

- 6.1. Reference Rates determined within the Fixing and the WIBOR for the 1Y Fixing Tenor determined using the Algorithmic Method on a given Fixing Day are published on the Administrator's website on the same Fixing Day at 11:00 pm.
- 6.2. Entities Using Reference Rates may access data on Reference Rates between the Fixing and publication of the Reference Rates on Administrator's website, through data vendors in accordance with the conditions set by the data vendors.

## **7. USE OF THE REFERENCE RATES**

- 7.1. Use of the Reference Rates, consisting of:
  - 7.1.1. issuing Financial Instruments, which reference the WIBID or the WIBOR,
  - 7.1.2. determination of the amount payable due to a Financial Instrument or a Financial Contract by referencing the WIBID or the WIBOR or a combination of indices containing the WIBID or the WIBOR,
  - 7.1.3. being a party to a Financial Contract, concluded as part of own services, which references the WIBID or the WIBOR,

- 7.1.4. providing a borrowing rate as defined in Article 3 (j) of Directive 2008/48/EC of the European Parliament and the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC, calculated as a spread or mark-up over the WIBID or the WIBOR or a combination of indices containing the WIBID or the WIBOR,
  - 7.1.5. measuring the performance of a Fund using the WIBID, the WIBOR or a combination of indices containing the WIBID or the WIBOR, for the purpose of tracking the return in relation to the WIBID or the WIBOR or a combination of indices containing the WIBID or the WIBOR, specifying the asset allocation from a portfolio or performance fees,
- may take place exclusively on the basis of an Agreement for the Use of Reference Rates or Rules for Granting Licences for the Use and Apply of Benchmark Indices in Debt Securities.
- 7.2. The Agreement for the Use of Reference Rates and Rules for Granting Licences for the Use and Apply of Benchmark Indices in Debt Securities specify in particular:
    - 7.2.1. the obligation of the Administrator to provide the Reference Rates in accordance with the rules specified by legal provisions applicable to the Administrator, and in accordance with the Regulations,
    - 7.2.2. the obligation of the Reference Rates' Users to pay a licence fee to the Administrator for the licence to Use the Reference Rates.
  - 7.3. The Administrator provides, in accordance with point 4.1:
    - 7.3.1. the template of the Agreement for the Use of Reference Rates and specifies the rules of conclusion of the Agreement by Reference Rates' Users
    - 7.3.2. Rules for Granting Licences for the Use and Apply of Benchmark Indices in Debt Securities and sets out the principles governing the accession of Reference Rates' Users to those Rules.
  - 7.4 The WIBOR for the 1Y Fixing Tenor, determined using the Algorithmic Method during the run-off period, is intended exclusively for use in Financial Instruments and Financial Contracts concluded prior to the Algorithmic Method entry into force.
  - 7.5 Reference Rates determined during the Orderly Wind-down Period are intended use in financial instruments and agreements concluded before the Effective Date of the Orderly Wind-down Period. The use of the Reference Rates in Financial Instruments and Financial Contracts during the Transitional Period, with the exception of Financial Instruments where such use is based on the Rules for Granting Licences for the Use and Apply of Benchmark Indices in Debt Securities, is conditional upon the entry into amendment to the Agreement for the Use of Reference Rates.
  - 7.6 The Administrator does not enter into Agreement for the Use of Reference Rates from the commencement of the Orderly Wind-down Period. The conclusion of Agreement for the Use during the Orderly Wind-down Period is permitted solely for the purpose of regularising the status of an entity as **a Reference Rates' User** with respect to Financial Instruments and Financial Contracts concluded prior to the commencement of Orderly Wind-down Period. Accession to the Rules for Granting Licences for the Use and Apply of Benchmark Indices in Debt Securities during the Orderly Wind-down Period is permitted for the purpose of obtaining or regularising the status of a **Reference Rates User** in respect of debt securities issued by 31 December 2026.

## 8. COMPLAINTS RELATED TO THE REFERENCE RATES

- 8.1. The Administrator shall receive and promptly deal with complaints from Users and any other persons or entities concerned, related to the provision the Reference Rates.

- 8.2. The Administrator provides the Oversight Committee of Interest Rate Benchmarks with updates on complaints received, referred to in point 8.1, and the responses given.
- 8.3. In accordance with the applicable internal procedure for receiving and investigating complaints, complaints may be submitted to the Administrator by e-mail to: skargi@gpwbenchmark.pl and by post to the address of GPW Benchmark S.A. The receipt of a complaint will be confirmed by the same channel of information in which the complaint was submitted, within 7 days of its receipt. A complaint shall be processed without undue delay, but no later than within 30 days of its receipt. A response to the complaint shall be provided through the same channel of information as the complaint, unless otherwise indicated by the complainant. The detailed rules of submitting complaints and the mode of replying to these by the Administrator are laid down in the Procedure of receiving and processing of complaints, published in accordance with point 4.1.

## **9. LIABILITY OF THE ADMINISTRATOR**

- 9.1. The terms and conditions of liability of the Administrator to Reference Rates' Users are outlined in the Agreement for the Use of Reference Rates and Rules for Granting Licences for the Use and Apply of Benchmark Indices in Debt Securities.
- 9.2. The Administrator shall have no liability for any loss resulting from use of Reference Rates or their other use without the knowledge or consent of the Administrator.

## **10. CESSATION OF PROVISION OF THE REFERENCE RATES**

- 10.1. The Administrator may decide to cease the provision of the Reference Rates in accordance with the procedure of cessation set out in the Procedure of Review and Change of Interest Rate Benchmarks Method.
- 10.2. The Administrator's decision to cease the provision of the Reference Rates for the reason referred to in point 10.1 requires an opinion of the Oversight Committee of Interest Rate Benchmarks and must be preceded by consultation with the KNF.
- 10.3. Information concerning the cessation of the provision of the Reference Rates and its effective date is published in accordance with point 4.1. In addition, such decision is notified to the KNF.

## **11. AMENDMENT OF THE REGULATIONS**

- 11.1. Any amendment of the Regulations by the Administrator is subject to a prior positive opinion of the Oversight Committee of Interest Rate Benchmarks.
- 11.2. The amended Regulations are made available to the Entities Using Reference Rates as a consolidated text in accordance with point 4.1.
- 11.3. Amendments to the Regulations come into force on the day indicated in the information concerning the amendments t, however not earlier than 30 days after making the amended Regulations available in accordance with point 4.1, subject to point 11.4.
- 11.4. The Administrator may decide on amendment's entry into force prior to the date referred to in point 11.3, if the amendment adapts the Regulations to the legal provisions in force, reflects the KNF decision or results from the position of the KNF expressed in the course of administrative proceedings or supervisory measures.

## **12. ENTRY INTO FORCE AND VALIDITY OF THE REGULATIONS AND OTHER PROVISIONS**

- 12.1. The Regulations come into force on 4<sup>th</sup> May 2020. The Administrator publishes such information on its website.

- 12.2. The previous Regulations for the WIBID and WIBOR Reference Rates of 6 December 2019 become null and void on the day referred to in point 12.1.
- 12.3. The Regulations will cease to be valid on the day the decision of the Administrator to cease the provision of the Reference Rates becomes effective.
- 12.4. The WIBOR for the 1Y Fixing Tenor is determined during its run-off period until and including 21<sup>st</sup> December 2026, whereas the WIBID for the 1Y Fixing Tenor will not be determined since 22<sup>nd</sup> December 2025.
- 12.5. The Administrator may, after obtaining the approval of the Oversight Committee of Interest Rate Benchmarks, change the effective date of the amendments to the Regulations, where the Code of Conduct, amending the rules for the preparation and submission of Quotes and the obligations of Fixing Participants in connection with such amendment to the Regulations, has not yet entered into force. In the event of a change to the effective date of the aforementioned amendments, the Administrator shall promptly provide such information to the Entities Using the Reference Rates in accordance with point 4.1, indicating the new, later effective date of those provisions.
- 12.6. As of 1 January 2037, the determination of the WIBID and WIBOR Reference Rates shall cease.

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# **DESCRIPTION OF THE REFERENCE RATES METHOD**

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## **1. INTRODUCTION**

- 1.1. This document defines in particular:
  - 1.1.1. the basic information concerning the Reference Rates,
  - 1.1.2. a description of the Reference Rates Method in accordance with Article 13(1)(a) of the Benchmarks Regulation and Article 2 of Commission Delegated Regulation 2018/1641,<sup>1</sup>
  - 1.1.3. a description of the Input Data, including a description of the types of Input Data and the priority and hierarchy of their use in the Reference Rates Method, in accordance with Article 11(1)(c) of the Benchmarks Regulation,
  - 1.1.4. arrangements that identify the circumstances in which the quantity or quality of Input Data falls below the standards necessary for the Reference Rates Method to determine the Reference Rates accurately and reliably, and that describe how the Reference Rates are to be calculated in such circumstances, in accordance with Article 12(3) of the Benchmarks Regulation,
  - 1.1.5. details of the internal review and the approval of Reference Rates Method, in accordance with Article 13(1)(b) of the Benchmarks Regulation and Article 3 of Commission Delegated Regulation 2018/1641,
  - 1.1.6. a description of consultation procedures on any proposed material change in the Reference Rates Method, in accordance with Article 13(1)(c) of the Benchmarks Regulation and Article 4 of Commission Delegated Regulation 2018/1641.
- 1.2. This document fulfils the disclosure and publication obligations of the Administrator concerning the Reference Rates Method arising in particular from the Benchmarks Regulation and its implementing regulations.

## **2. DEFINITION AND DESCRIPTION OF THE REFERENCE RATES**

- 2.1. The Reference Rates are interest rate benchmarks within the meaning of Article 3(1)(22) of the Benchmarks Regulation, determined by the Administrator for the Fixing Tenors indicated in point 4.2 below.
- 2.2. The Reference Rates are: the WIBID and the WIBOR.
- 2.3. The WIBID is an interest rate benchmark within the meaning of Article 3(1)(22) of the Benchmarks Regulation, reflecting the interest rate at which entities meeting the Fixing Participant Criteria are ready to accept Deposits for specified Fixing Tenors from other entities meeting the Fixing Participant Criteria.
- 2.4. The WIBOR is an interest rate benchmark within the meaning of Article 3(1)(22) of the Benchmarks Regulation, reflecting the interest rate at which entities meeting the Fixing Participant Criteria are ready to place Deposits for specified Fixing Tenors with other entities meeting the Fixing Participant Criteria.
- 2.5. The WIBOR has been recognised as a critical benchmark within the meaning of the Benchmarks Regulation.<sup>2</sup>

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<sup>1</sup> Commission Delegated Regulation (EU) 2018/1641 of 13 July 2018 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to regulatory technical standards specifying further the information to be provided by administrators of critical or significant benchmarks on the methodology used to determine the benchmark, the internal review and approval of the methodology and on the procedures for making material changes in the methodology

<sup>2</sup> Commission Implementing Regulation (EU) 2019/482 of 22 March 2019 amending Commission Implementing Regulation (EU) 2016/1368 establishing a list of critical benchmarks used in financial markets pursuant to the Benchmarks Regulation came into force on 26 March 2019. WIBOR was entered into the list of critical benchmarks pursuant to Article 20(1).

- 2.6. The Reference Rates are a family of benchmarks within the meaning of Article 3(1)(4) of the Benchmarks Regulation because both:
  - 2.6.1. are determined from Input Data of the same nature, subject to point 2.9,
  - 2.6.2. provide measures of the same market, described in point 3 below.
- 2.7. The WIBID and the WIBOR are calculated for the Fixing Tenors listed in point 4.2.
- 2.8. An element of the Reference Rate Method used for determining the WIBID and the WIBOR are the WIBID SW and the WIBOR SW determined in accordance with the Method of Determining the Reference Rates.
- 2.9. The WIBOR for the 1Y Fixing Tenor is the Reference Rate determined during the run-off period using the Algorithmic Method.

### **3. DESCRIPTION OF THE MARKET WHICH THE REFERENCE RATES INTEND TO MEASURE**

- 3.1. The market which the Reference Rates are intended to measure is the interbank money market that includes the transactions made in that market involving funds held in current accounts maintained with the central bank by entities active in that market.
- 3.2. The subject of measurement by the Reference Rates are the prices of Deposits accepted (WIBID) or placed (WIBOR) on the above market by Fixing Participants or by entities meeting the Fixing Participant Criteria.

### **4. METHOD OF DETERMINING THE REFERENCE RATES – REFERENCE RATES FIXING**

- 4.1. The Administrator determines the Reference Rates through Fixing, on the basis of the Quotes contributed by the Fixing Participants to the Administrator, whereas, the WIBOR for the 1Y Fixing Tenor during its run-off period, is based on the Algorithmic Method described in Annex 2.
- 4.2. The Reference Rates are determined for the following Fixing Tenors:
  - 4.2.1. 1 month (1M),
  - 4.2.2. 3 months (3M),
  - 4.2.3. 6 months (6M),
 and in the case of the WIBOR also:
  - 4.2.4. 1 year (1Y).
- 4.3. The WIBID SW and the WIBOR SW are determined for the SW Fixing Tenor.
- 4.4. The detailed description of the Method of Determining the Reference Rates as well as WIBID SW and WIBOR SW is provided in Annex 3.
- 4.5. that are submitted by the Fixing Participants, pursuant to the following rules, while maintaining the hierarchy of the Input Data:
  - 4.5.1. excluding four extreme Quotes, i.e., the two lowest Quotes and the two highest Quotes, if at least 10 Quotes are taken into account,
  - 4.5.2. excluding the lowest Quote and the highest Quote, if 8 or 9 Quotes are taken into account,
  - 4.5.3. excluding no Quotes, if 6 or 7 Quotes are taken into account.
- 4.6. In the process of determining the Reference Rates, the Administrator takes into account the Quotes submitted by those Fixing Participants who have met the requirements based on the submitted Non-Transactional Data, as referred to in section 10.2.

- 4.6.1 The Fixing Participants submit Non-Transactional Data on each Fixing Day between 10:30 am and 11:00 am, with respect to the status of the limits applicable as of a time not earlier than 10:30 am on that Fixing Day.
- 4.7 The minimum number of Quotes taken into account for conducting the Fixing for a given Fixing Tenor is 6. If 5 or fewer Quotes are taken into account for a given Fixing Tenor, the Administrator shall not determine the Reference Rates for such Fixing Tenor.
- 4.8 The weights of the Quotes applied in the Method of Determining the Reference Rates, in accordance with point 4.5, are defined as follows:
  - 4.8.1 The weight of a Model Quote is 1.
  - 4.8.2 The weight of a Committed Quote is equal to the Market Capacity determined for that Committed Quote, subject to the Lower Threshold of the Committed Quote Weight.
  - 4.8.3 Market Capacity is a variable determined for each Committed Quote taken into account, resulting from the hierarchy of the Input Data in the Method of Determining the Reference Rates described in point 9.1.1.
  - 4.8.4 The Lower Threshold of the Committed Quote Weight is a parameter of the Method of Determining the Reference Rates. The value of this parameter has been set at 0.44.<sup>3</sup>
- 4.9 The Reference Rates are determined in accordance with the ACT/365 day count convention, with a precision of two decimal places. The Reference Rates are expressed as a percentage (%, 1/100) of the nominal value of the Deposit.
- 4.10 The Administrator does not use any discretion in the provision of the Reference Rates.
- 4.11 The Reference Rates do not take into account reinvestments of dividends or coupons paid by their constituents.
- 4.12 The Administrator sets no minimum requirements for the liquidity of constituents of the Reference Rates.
- 4.13 No third parties participate in the provision of the Reference Rates who would be involved in collecting data for the purposes of the Reference Rates or involved in their determination or distribution.
- 4.14 The Fixing Time for all Fixing Tenors is 11:00 am, or immediately thereafter.
- 4.15 If the Reference Rates cannot be determined in accordance with the Method of Determining the Reference Rates by the Fixing Time, then the Fixing Time may be postponed to no later than to 3:00 pm for all Fixing Tenors.
- 4.16 The shift of the Fixing Time for all Fixing Tenors shall automatically result in a shift of the time window for the submission of Non-Transactional Data, referred to in point 4.6.1.
- 4.17 On the day on which the abovementioned Fixing Time shift occurs, the Administrator is obliged to immediately, but not later than within 5 minutes upon Fixing Time, notify the Fixing Participants about the postponed Fixing Time and to provide Fixing Participants with information on the reasons for the shift and the Fixing Time on the given Fixing Day.

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<sup>3</sup> The value of the Lower Threshold of the Committed Quote Weight has been established on the basis of the following assumptions. Assuming that the number of Fixing Participants is 10, a given Fixing Participant may conclude a transaction for the acceptance or placement of a Deposit with the remaining 9 Fixing Participants. Dividing the number of possible counterparties by two results in 4.5. The greatest integer less than 4.5 is 4. The resulting fraction 4/9, expressed in decimal form, equals 0.44. The Administrator has conducted quantitative analyses supporting the determination of the Lower Threshold of the Committed Quote Weight at the level of 0.44.

- 4.18 The Administrator has in place applicable contingency procedures necessary to determine the course of action in the event referred to in points 4.15 and 4.17.
- 4.19 The notice referred to in point 4.17 is also made to the KNF and published on the Administrator's website.
- 4.20 If the Reference Rates cannot be determined by 3:00 pm for all Fixing Tenors, the Reference Rates for these Fixing Tenors are not determined on that day.
- 4.21 In the case referred to in point 4.20, the Chair of the Oversight Committee of Interest Rate Benchmarks is obliged to convene a meeting of the Oversight Committee of Interest Rate Benchmarks on the same Business Day when the Reference Rates cannot be determined, in order to establish the course of action necessary to recover the continuity of provision of the Reference Rates.
- 4.22 A notice of failure to determine the Reference Rates at a given day is immediately provided to the KNF and published on the Administrator's website.
- 4.23 Except for the cases referred to in points 4.15 – 4.22 above, other potential limitations of the Method of Determining the Reference Rates may arise, in particular, if the Administrator deems the sources of Input Data to be:
  - 4.23.1 insufficient,
  - 4.23.2 inaccurate or
  - 4.23.3 unreliable.

#### Insufficient sources of Input Data

- 4.24 The Administrator suspends the Fixing of the Reference Rates if the number of Fixing Participants falls below 6 (six).
- 4.25 The Administrator may decide to suspend the Reference Rates Fixing if, despite a sufficient number of Fixing Participants, the Fixing Participants repeatedly fail to contribute Quotes or data necessary for their validation, thus leading to number of Quotes taken into account lower than the minimum required to conduct Fixing.
- 4.26 In the suspension period of the Reference Rates Fixing, the Administrator may determine the Reference Rates in accordance with the recommended Temporary Change of Method.
- 4.27 The process of suspending the Reference Rates Fixing and its consequences are described in points 4.33 – 4.40.

#### Inaccurate Input Data

- 4.28 In the Code of Conduct, the Administrator defined the minimum requirements and quality standards applicable to the Input Data that are submitted by the Fixing Participants. Where applicable, in order for the Administrator to accept a Quote from a Fixing Participant, the standards applicable to the Input Data must be met jointly in each case..
- 4.29 If the Input Data fail to meet any of these criteria, the Administrator may consider such Input Data to be inaccurate (i.e. not meeting the formal requirements and quality standards) and may decide not to use such Input Data in the Method of Determining the Reference Rates.

#### Unreliable Input Data

- 4.30 The Administrator monitors the reliability of Input Data received from Fixing Participants, in particular against the Suspicious Quotes Identification Procedure. The Procedure defines, in particular, the Administrator's procedures of identification and escalation of any actions of Fixing Participants that may potentially involve manipulation or attempts to manipulate the Reference Rates, in particular by providing the Administrator with Quotes which arise doubts of the Administrator as to their reliability.

- 4.31 Furthermore, in accordance with the Code of Conduct and subject to the currently applicable regulations, Fixing Participants shall immediately notify the Administrator of any identified Suspicious Quote and any other identified case of potential manipulation of the Reference Rates within the meaning of MAR.
- 4.32 In its control framework which ensures integrity and reliability of Input Data, the Administrator may provide Fixing Participants with written guidelines for the identification of cases of potential manipulation of the Reference Rates within the meaning of MAR.

#### Suspension of the Fixing of the Reference Rates

- 4.33 The Administrator suspends the Fixing of the Reference Rates if the number of Fixing Participants falls below 6 (six).
- 4.34 In addition, the Administrator may decide to suspend the Fixing if, despite the required number of Fixing Participants, the Fixing Participants repeatedly fail to contribute Quotes or data necessary for their validation, thus leading to number of Quotes taken into account lower than the minimum required to conduct Fixing.
- 4.35 The Administrator's decision to suspend the Fixing requires opinion of the Oversight Committee of Interest Rate Benchmarks and must be preceded by consultation with the KNF.
- 4.36 The Administrator announces the suspension of a Fixing on the website of the Administrator: <https://gpwbenchmark.pl>. The Administrator announces the cessation of the reasons for the suspension and the time of resumption of the Fixing in the same manner.
- 4.37 If the Administrator decides to suspend the Fixing, the Chair of the Oversight Committee of Interest Rate Benchmarks is obliged to immediately convene a meeting of the Oversight Committee of Interest Rate Benchmarks immediately upon notification by the Administrator, in order to cooperate with the Administrator on the course of action necessary to recover the continuity of provision of the Reference Rates.
- 4.38 The course of action referred to in 4.35 must be defined within 2 Business Days after the Administrator decides to suspend the Fixing, include a recommendation on the Temporary Change of the Method necessary to ensure continuity of the of the Reference Rates.
- 4.39 The Administrator publishes the Temporary Change of the Method on the website of the Administrator. The application of the Temporary Change of Method is notified to the KNF.
- 4.40 The Method of Determining the Reference Rates in accordance with the Temporary Change of the Method cannot be applied for more than 6 months.

### **5. CRITERIA USED BY THE ADMINISTRATOR TO SELECT THE SOURCE OF INPUT DATA USED TO DETERMINE THE REFERENCE RATES**

- 5.1 The source of Input Data used by the Administrator to determine the Reference Rates, subject to point 2.9, are Fixing Participants, which contribute the Quotes to the Administrator, acting as contributors within the meaning of Article 3(1)(9) of the Benchmarks Regulation.
- 5.2 The Administrator identifies Fixing Participants as the source of Input Data according to the following criteria:
- 5.2.1 the Underlying Market and its characteristics,
  - 5.2.2 the definition of the Reference Rates and type of benchmark the Reference Rates represent within the meaning of the Benchmarks Regulation in terms of the type of Input Data used to determine them (interest rate benchmarks i.e. benchmarks which are determined on the basis of the rate at which banks may lend to, or borrow from, other banks, or agents other than banks, in the money market).

### **6. TYPES OF INPUT DATA USED TO DETERMINE THE REFERENCE RATES**

- 6.1 The Administrator determines Reference Rates for the Fixing Tenors within the Fixing in accordance with the Method of Determining the Reference Rates based on Quotes for the Fixing Tenors SW, 1M, 3M, 6M contributed by Fixing Participants, used by the Administrator as Input Data, subject to point 2.9.
- 6.2 Quotes are the result of the application and operation of the Waterfall Method on the part of Fixing Participants and may include:
  - 6.2.1 the Model Quotes, and/or
  - 6.2.2 the Committed Quotes.
- 6.3 A Model Quote, determined by a Fixing Participant based on Transaction Data in accordance with the Waterfall Method, reflects the interest rate at which the Fixing Participant could accept (Model Bid-Quote) or place (Model Offer-Quote) a Deposit on the Underlying Market for each Fixing Tenor.
- 6.4 Model Quotes are the result of Waterfall Level 1, 2 or 3 and are determined in accordance with specific regulations laid down by the Administrator in the Code of Conduct and the Model Quote Specification.
- 6.5 A Model Quote is not determined for a given Fixing Tenor on a given Fixing Day by a Fixing Participant if it is impossible to determine it on a given Fixing Day for a given Fixing Tenor in accordance with the Waterfall Method.
- 6.6 Contribution of a Model Quote by a Fixing Participant does not constitute an obligation for the Fixing Participant to enter into a Deposit transaction with another Fixing Participant.
- 6.7 In the situation specified in point 6.5, a Committed Quote contributed by a Fixing Participant on such Fixing Day is used as Input Data for a given Fixing Tenor on the Fixing Day to determine the Reference Rates (Waterfall Level 4).
- 6.8 A Committed Quote defines the interest rate at which the Fixing Participant is, in accordance with the conditions set out in the Code of Conduct, committed to place (Committed Offer-Quote) or accept (Committed Bid-Quote) a Deposit from another Fixing Participant for each of the Fixing Tenors. A Committed Quote is contributed to the Administrator on each Fixing Day notwithstanding the Model Quote.
- 6.9 Committed Quotes are determined by a Fixing Participant in accordance with a Quoting Policy, taking into account the Administrator's Recommendation regarding the Committed Quotes.

#### Transaction Data used to determine Model Quotes

- 6.10 Fixing Participants use the following Transaction Data to determine Model Quotes:
  - 6.10.1 Transaction Data of Deposits from the Underlying Market for Fixing Tenors,
  - 6.10.2 Transaction Data of Deposits from the Underlying Market for Non-Fixing Tenors,
  - 6.10.3 Transaction Data from the Related Markets for Fixing Tenors,
  - 6.10.4 Transaction Data from the Related Markets for Non-Fixing Tenors,
- 6.11 Transaction Data may only be transactions denominated in the Polish zloty (PLN).

#### Criteria used by the Administrator to select Transaction Data from the Underlying Market to determine Model Quotes

- 6.12 The Administrator selected Transaction Data from the Underlying Market as data used to determine Model Quotes considering primarily the requirements of the Benchmarks Regulation and the characteristics of the market which the Reference Rates intend to measure.
- 6.13 In accordance with the Benchmarks Regulation, the priority is given, in the provision of benchmarks, to contributor's transactions in the market that a particular benchmark intends to measure.

- 6.14 Considering the foregoing, to meet the requirements of the Benchmarks Regulation, the Administrator determines Model Quotes by requiring Fixing Participants to consider first (in the Waterfall Method) Transaction Data from the Underlying Market, i.e. the Deposits in Polish zloty (PLN) concluded between Fixing Participants, and the Deposits in Polish zloty (PLN) concluded between Fixing Participants and entities which meet the Fixing Participant Criteria.

Criteria used by the Administrator to select Transaction Data from the Related Markets to determine Model Quotes

- 6.15 The Administrator selected Transaction Data from the Related Markets as data used to determine Model Quotes, used by the Administrator as Input Data in the Method of Determining the Reference Rates, considering primarily the requirements of the Benchmarks Regulation and the analyses carried out by the Administrator, both quantitative and qualitative, necessary to identify the Related Markets and to evaluate their relation to the Underlying Market.
- 6.16 In accordance with the Benchmarks Regulation, in case of lack of data of contributor's transactions in the market that a benchmark intends to measure, the Administrator determines the benchmark using data of contributor's transactions in Related Markets.
- 6.17 Before choosing Transaction Data as data to be used to determine Model Quotes as Input Data in the Method of Determining the Reference Rates, the Administrator carried out a range of analyses in order to select the money market Segments which could hypothetically be treated as Related Markets. Those analyses included:
- 6.17.1 descriptive statistics and distributions analyses, describing the features of transaction data from different Segments of the money market,
  - 6.17.2 analysis of similarities between transaction data from different Segments and transaction data from the Underlying Market,
  - 6.17.3 simulations of historical performance of the Reference Rates based on alternative assumptions for the selection of the Segments which are used as Related Markets in the Waterfall Method and based on alternative assumptions for parameters of the Waterfall Method,
  - 6.17.4 analysis of the impact of the assumptions on the transactionality level of the WIBOR and its volatility,
  - 6.17.5 analysis of the results from a survey conducted among Fixing Participants concerning identification of the Related Markets.
- 6.18 On the basis of the aforementioned criteria, the Administrator decided to select two Segments as Related Markets in the Waterfall Method, whose Transaction Data will be used by Fixing Participants to determine Model Quotes:
- 6.18.1 the Financial Institutions Segment, and
  - 6.18.2 the Other Financial Institutions Segment.
- 6.19 The Administrator regularly reviews and may extend the selection of the Related Markets, at least during the mandatory review of the Reference Rates Method in accordance with the requirements of the Benchmarks Regulation.

Data used to determine Committed Quotes

- 6.20 The Administrator uses Committed Quotes to determine Reference Rates in accordance with the Method of Determining the Reference Rates if a Fixing Participant is unable to contribute a Model Quote in accordance with the Waterfall Method at a given Fixing Day, due to insufficient number of Transaction Data required by the Waterfall Method.

- 6.21 Committed Quotes are determined by Fixing Participants according to their internal procedures, in compliance with the Code of Conduct, the Quoting Policy and the Administrator's Recommendation regarding the Committed Quotes.

Effect of Committed Quotes – obligation to enter into a transaction

- 6.22 By contributing a Committed Quote, the Fixing Participant undertakes, subject to the exceptions defined in the Code of Conduct, to enter with another Fixing Participant on demand of such Fixing Participant into a transaction of placement or acceptance of a Deposit for the Fixing Tenors indicated in the Committed Quote within the Transaction Window.
- 6.23 Transactions involving the placement or acceptance of a Deposit for the Fixing Tenors indicated in the Committed Quote are concluded on the terms of the bid and offer rates, no less favourable than those which the Fixing Participant submits as a Committed Quote to the Administrator on that day.
- 6.24 The obligation referred to above is binding:
- 6.24.1 for SW, 1M and 3M Deposits for transactions for the amount of PLN 20 million,
  - 6.24.2 for 6M Deposits for transactions for the amount of PLN 10 million.

## **7. THE WATERFALL METHOD**

- 7.1 The Waterfall Method specifies how Fixing Participants determine Quotes and how Quotes are used by the Administrator as Input Data.
- 7.2 The key assumptions of the Waterfall Method are as follows:
- 7.2.1 first, based on Transaction Data from the Underlying Market, a Fixing Participant calculates Transaction Factors for each Fixing Tenor, and then, applying the BID/OFFER Spread Calculation Procedure, determines a Model Bid-Quote and a Model Offer-Quote for each Fixing Tenor, providing that the Incrementality Parameter is met (Waterfall Level 1),
  - 7.2.2 if it is not possible to determine a Model Quote for a given Fixing Tenor in accordance with points 7.2.1, and such Model Quote has been set to adjacent Fixing Tenors, a Fixing Participant determines a Quote for such Fixing Tenor using the Model Quote Interpolation Procedure (Waterfall Level 2.1),
  - 7.2.3 if it is not possible to determine a Model Quote for a given Fixing Tenor in accordance with points 7.2.1 and 7.2.2, a Fixing Participant calculates the Transaction Factor for such Fixing Tenor based on Transaction Data from the Underlying Market for Non-fixing Tenors, using the Procedure of Allocation of Fixing Tenors to Non-fixing Tenor Transactions, and then determines a Model Bid-Quote and a Model Offer-Quote for such Fixing Tenor using the BID/OFFER Spread Calculation Procedure (Waterfall Level 2.2),
  - 7.2.4 if it is not possible to determine a Model Quote for a given Fixing Tenor in accordance with points 7.2.1 – 7.2.3, a Fixing Participant sets the Transaction Factor for such Fixing Tenor based on Transaction Data from the Related Markets (regarding the Financial Institutions Segment) corresponding to such Fixing Tenor using the Procedure of Extrapolation of Prices from the Related Markets to the Underlying Market, and then determines a Model Bid-Quote and a Model Offer-Quote for such Fixing Tenor using the BID/OFFER Spread Calculation Procedure (Waterfall Level 3.1),
  - 7.2.5 if it is not possible to determine a Model Quote for a given Fixing Tenor in accordance with points 7.2.1 – 7.2.4, a Fixing Participant sets the Transaction Factor for such Fixing Tenor using the Procedure of Allocation of Fixing Tenors to Non-fixing Tenor Transactions for Transaction Data with Non-fixing Tenors from the Related Markets (regarding the Financial Institutions Segment) and the Procedure of Extrapolation of

Prices from Related Markets to the Underlying Market, and then determines a Model Bid-Quote and a Model Offer-Quote for such Fixing Tenor with the BID/OFFER Spread Calculation Procedure (Waterfall Level 3.2),

- 7.2.6 if it is not possible to determine a Model Quote for a given Fixing Tenor in accordance with points 7.2.1 – 7.2.5, a Fixing Participant sets the Transaction Factor for such Fixing Tenor based on Transaction Data from the Related Markets (regarding the Other Financial Institutions Segment) corresponding to such Fixing Tenor using the Procedure of Extrapolation of Prices from Related Markets to the Underlying Market, and then determines a Model Bid-Quote and a Model Offer-Quote for such Fixing Tenor using the BID/OFFER Spread Calculation Procedure (Waterfall Level 3.3),
- 7.2.7 if it is not possible to determine a Model Quote for a given Fixing Tenor in accordance with points 7.2.1 – 7.2.6, a Fixing Participant sets the Transaction Factor for such Fixing Tenor using the Procedure of Allocation of Fixing Tenors to Non-fixing Tenor Transactions for Transaction Data from the Related Markets (regarding the Segment of Other Financial Institutions) and the Procedure of Extrapolation of Prices from Related Markets to Underlying Market, and then determines a Model Bid-Quote and a Model Offer-Quote for such Fixing Tenor using the BID/OFFER Spread Calculation Procedure (Waterfall Level 3.4),
- 7.2.8 if it is not possible to determine a Model Quote for a given Fixing Tenor in accordance with points 7.2.1 – 7.2.7, a Fixing Participant only contributes a Committed Quote to the Administrator for such Fixing Tenor (Waterfall Level 4).

#### Waterfall Method Levels – summary of the key assumptions

7.3 The table below presents the Waterfall Method Levels.

| Level      | Description                                                                                                                                                                                                                                                                                    |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b>   | Model Quotes based on Transaction Data from the Underlying Market for Fixing Tenors.                                                                                                                                                                                                           |
| <b>2.1</b> | Model Quotes based on the results of the Model Quote Interpolation Procedure applied by the Fixing Participant for Model Quotes contributed by the Fixing Participant at Waterfall Level 1 on the Fixing Day.                                                                                  |
| <b>2.2</b> | Model Quotes based on Deposits from the Underlying Market for Non-fixing Tenors.                                                                                                                                                                                                               |
| <b>3.1</b> | Model Quotes based on the Procedure of Extrapolation of Prices from Related Markets to Underlying Market applied by the Fixing Participant on the basis of Transaction Data from the Related Markets (Financial Institutions Segment) with Fixing Tenors.                                      |
| <b>3.2</b> | Model Quotes based on the Procedure of Extrapolation of Prices from Related Markets to Underlying Market applied by the Fixing Participant on the basis of Transaction Data from the Related Markets (Financial Institutions Segment) assigned Fixing Tenors based on Non-fixing Tenors.       |
| <b>3.3</b> | Model Quotes based on the Procedure of Extrapolation of Prices from Related Markets to Underlying Market applied by the Fixing Participant on the basis of Transaction Data from the Related Markets (Other Financial Institutions Segment) with Fixing Tenors.                                |
| <b>3.4</b> | Model Quotes based on the Procedure of Extrapolation of Prices from Related Markets to Underlying Market applied by the Fixing Participant on the basis of Transaction Data from the Related Markets (Other Financial Institutions Segment) assigned Fixing Tenors based on Non-fixing Tenors. |

Committed Quotes based on internal procedures of the Fixing Participant, determined in accordance with the guidelines defined by the Administrator in the Code of Conduct.

7.4 Consequently, in accordance with the Waterfall Method:

- 7.4.1 if a Fixing Participant has Transaction Data for a given Fixing Tenor on a given Fixing Day, necessary to determine a Quote for such Fixing Tenor on that Fixing Day, such Quote is a Model Quote. In that case, the Waterfall Method generates a Model Quote which corresponds to Waterfall Levels 1, 2 and 3,
- 7.4.2 if a Fixing Participant has no Transaction Data for a given Fixing Tenor on a given Fixing Day, necessary to determine a Quote for such Fixing Tenor on that Fixing Day, the Fixing Participant contributes a Committed Quote as a result of the Waterfall Method. In that case, the Waterfall Method generates a Committed Quote which corresponds to Waterfall Level 4.

## **8. EXTRAPOLATING AND INTERPOLATING OF THE DATA USED TO DETERMINE THE REFERENCE RATES**

- 8.1 The Administrator uses neither extrapolation nor interpolation in the Method of Determining the Reference Rates.
- 8.2 Fixing Participants use extrapolation and interpolation in accordance with the Waterfall Method as defined in the Model Quote Specification, on the basis of the applicable Analytical Procedures, i.e., the Model Quote Interpolation Procedure and the Procedure of Extrapolating Prices from the Related Markets to the Underlying Market.

### Procedure of Extrapolation of Prices from Related Markets to the Underlying Market

- 8.3 The Procedure of Extrapolation of Prices from Related Markets to Underlying Market is a procedure applied by Fixing Participants, in which the Transaction Factor calculated by the Fixing Participant (based on the Model Quote Specification) on the basis of Transaction Data from the Related Markets is adjusted and stabilised by the Fixing Participant to represent the value consistent with the Underlying Market.
- 8.4 The Procedure of Extrapolation of Prices from Related Markets to Underlying Market is a part of the Model Quote Specification and it is applied by Fixing Participants at Waterfall Level 3.

### Model Quote Interpolation Procedure

- 8.5 The Model Quote Interpolation Procedure is a procedure applied by a Fixing Participant, in which the Fixing Participant determines a Model Quote for a given Fixing Tenor on a given Fixing Day on the basis of the Waterfall Level 1 Model Quote of the two adjacent Fixing Tenors on the same Fixing Day.
- 8.6 The Model Quote Interpolation Procedure is applied by a Fixing Participant at Waterfall Level 2.1.
- 8.7 The Model Quote Interpolation Procedure only applies to Model Quotes for Fixing Tenors 1M and 3M.
- 8.8 Fixing Participant applies the Model Quote Interpolation Procedure to a given Fixing Tenor provided that the Fixing Participant determines a Model Quote for the two adjacent Fixing Tenors at Waterfall Level 1 on the same Fixing Day, for instance:
  - 8.8.1 Fixing Participants applies the Model Quote Interpolation Procedure to the Fixing Tenor 1M on the Fixing Day provided that the Fixing Participant calculates a Transaction Factor at Waterfall Level 1 for the Fixing Tenors SW and 3M on the Fixing Day and then determines a Model Bid-Quote and a Model Offer-Quote for such Fixing Tenors at Waterfall Level 1 on the Fixing Day using the BID/OFFER Spread Calculation Procedure.

## **9. PRIORITY GIVEN TO TYPES OF INPUT DATA USED BY THE ADMINISTRATOR TO DETERMINE THE REFERENCE RATES**

9.1 Hierarchy principle in relation to the Reference Rates is used at two stages:

9.1.1 in the Method of Determining the Reference Rates, and

9.1.2 in the Waterfall Method to the extent of Input Data contributed by Fixing Participants.

### Hierarchy in the Method of Determining the Reference Rates.

9.2 The importance assigned to different types of Input Data is expressed by the Administrator giving priority to the use of a Model Quote as Input Data over a Committed Quote at each stage of the Method of Determining the Reference Rates.

9.2.1 Where a Model Quote is contributed by a Fixing Participant, such Quote is used in the Method of Determining the Reference Rates. If a Fixing Participant is unable to submit a Model Quote in accordance with the Waterfall Method, the Administrator uses a Committed Quote as Input Data.

9.2.2 During the exclusion of extreme Quotes, referred to in point 4.5, where considered Quotes have the same value, Model Quotes shall have priority in the Method of Determining the Reference Rates.

9.2.3 In the process of determining the value of the Reference Rates, in accordance with point 4.8, appropriate weights are assigned to Quotes, whereby a Model Quote is always assigned weight equal to 1, which is the maximum Quote weight provided for in the Method of Determining the Reference Rates.

9.3 The hierarchical nature of the Input Data also holds among Committed Quotes, depending on their Market Capacity.

9.3.1 Market Capacity is determined for each Committed Quote taken into account and reflects the availability of a Fixing Participant to place or accept Deposits on a given Fixing Day during the current Transaction Window.

9.3.2 During the exclusion of extreme Quotes, referred to in point 4.5, where Quotes have the same value, Committed Quotes with higher Market Capacity shall have priority in the Method of Determining the Reference Rates, subject to point 9.2.2.

9.3.3 During the calculation of the Reference Rates, Committed Quotes are assigned a weight equal to their Market Capacity, subject to the Lower Threshold of the Committed Quote Weight.

9.4 If, during the exclusion of extreme Quotes, the rules referred to in points 9.2.2 and 9.3.2 do not allow for an unambiguous determination of which Quotes should be excluded, the decision shall be made by random selection.

### Hierarchy in the Waterfall Method

9.5 The hierarchy of data used by Fixing Participants to provide Input Data is defined by the Administrator on the basis of the Waterfall Method and its levels presented in the description in point 7.2 and the table in point 7.3 above.

9.6 The hierarchy of the Waterfall Method means that the Waterfall is divided into Level 1, 2, 3 and 4 and their sub-levels.

9.7 As a result of the hierarchy, Fixing Participants determine a Model Quote for a given Fixing Tenor on a given Fixing Day on the basis of Transaction Data from the highest possible Waterfall Level and, if that is not possible, the Committed Quote contributed on each Fixing Day is considered to be the product of the Waterfall Method.

9.8 The hierarchy of the Waterfall Method implies that:

9.8.1 Transaction Data and, consequently, Model Quotes have priority over Committed Quotes,

- 9.8.2 Transaction Data from the Underlying Market have priority over Transaction Data from the Related Markets,
- 9.8.3 in the Underlying Market, Model Quotes determined on the basis of Transaction Data have priority over Model Quotes determined on the basis of Interpolation,
- 9.8.4 in a given Segment, Transaction Data for Fixing Tenor Transactions have priority over Transaction Data for Non-fixing Tenor Transactions,
- 9.8.5 in the Related Markets, Transaction Data from the Financial Institutions Segment have priority over Transaction Data from the Other Financial Institutions Segment.

## **10. EVALUATION AND VALIDATION OF CONTRIBUTORS' INPUT DATA**

- 10.1 The Administrator verifies Quotes received from Fixing Participants. The scope of the verification is defined in the Code of Conduct, which specifies that it may, in particular, consist of verifying:
  - 10.1.1 the compliance of Model Quotes, verified by the Administrator in the course of their validation, in particular through a comparative analysis of the results of simulations based on previously delivered Transaction Data and the Model Quotes submitted by the Fixing Participant,
  - 10.1.2 with the requirements resulting from the validation of the Quotes based on previously delivered Non-Transaction Data,
  - 10.1.3 authorisation of the Quote Submitter to contribute the Quote on behalf of the Fixing Participant,
  - 10.1.4 compliance of the Quote format with the format specified in the Technical Conditions,
  - 10.1.5 timing of the Quote contribution in accordance with the Code of Conduct,
  - 10.1.6 completeness of the Quote (Quote is deemed to be complete if it indicates both the bid rate and the offer rate),
  - 10.1.7 Quote verification by the Quote Approver within the Fixing Participant's first Level of Control,
  - 10.1.8 compliance with the acceptable Quote Spread (the Quote Spread should be up to 20 basis points for all Fixing Tenors).
- 10.2 Following the verification of Quotes referred to in point 10.1, the Administrator takes them into account in the Method of Determining the Reference Rates according to the following rules:
  - 10.2.1 The Administrator takes into account only Quotes submitted by Fixing Participants who submitted the Questionnaire of Limits on the given Fixing Day in accordance with point 4.6.1 ("admitted Fixing Participant").
  - 10.2.2 If, on a given Fixing Day, a Fixing Participant has received Minimum Limits from fewer admitted Fixing Participants than required on that day, then all Model Quotes and Committed Quotes submitted by that Fixing Participant shall not be taken into account by the Administrator on that day. The required number of received Minimum Limits shall be equal to one half of the number of the remaining admitted Fixing Participants. This condition shall be applied subject to point 10.2.5.
  - 10.2.3 If, on a given Fixing Day, a Fixing Participant has granted Minimum Limits to fewer admitted Fixing Participants than required on that day, then all Model Quotes and Committed Quotes submitted by that Fixing Participant shall not be taken into account by the Administrator on that day. The required number of granted Minimum Limits shall be equal to two-thirds of the number of the remaining admitted Fixing Participants. This condition shall be applied subject to point 10.2.5.

- 10.2.4 If a Fixing Participant has not submitted the Availability Questionnaire for a given Fixing Day within the time window referred to in point 4.6.1, then all Committed Quotes submitted by that Fixing Participant shall not be taken into account by the Administrator on that day.
- 10.2.5 If, due to the non-admission of other Fixing Participants, a given Fixing Participant does not meet the requirements referred to in points 10.2.2 and 10.2.3, then, for that Fixing Participant, the number of Minimum Limits received and the number of Minimum Limits granted observed on the last Fixing Day, on which all Fixing Participants were admitted, shall be used. These numbers shall then be compared, respectively, with the requirements referred to in points 10.2.2 and 10.2.3 applicable on the current Fixing Day, in order to determine whether the Quotes submitted by that Fixing Participant can be taken into account.

## **11. MINIMUM QUALITY STANDARDS OF INPUT DATA USED TO DETERMINE THE REFERENCE RATES**

- 11.1 The Administrator defines the following core categories of quality standards for Input Data used by the Administrator to determine the Reference Rates:
  - 11.1.1 completeness standards of Quotes,
  - 11.1.2 quantitative standards of Transaction Data necessary for Fixing Participants to determine Model Quotes,
  - 11.1.3 technical standards for Quotes, and
  - 11.1.4 standards of authorisations regarding Quotes.
- 11.2 In relevant cases, in order for the Administrator to accept Quotes of a Fixing Participant the above standards must be met jointly every time.

### Completeness standards

- 11.3 Quotes contributed by Fixing Participants must be complete.
- 11.4 A Quote is deemed complete if it indicates both the Bid Quote and the Offer Quote and if the spread between the bid rate and the offer rate does not exceed the acceptable Quote Spread, wherein the Quote Spread should be up to 20 basis points for all Fixing Tenors.

### Quantitative standards for Transaction Data

- 11.5 The Administrator defines the following quantitative standards for the quality of Transaction Data necessary for the Fixing Participants to determine Quotes:
  - 11.5.1 the Incrementality Parameter,
  - 11.5.2 minimum thresholds of Transaction volumes,
  - 11.5.3 minimum number of Transactions necessary to determine a Model Quote,
  - 11.5.4 minimum number of Transactions necessary for Extrapolation,
  - 11.5.5 minimum number of days of Transactions necessary for Extrapolation, and
  - 11.5.6 minimum period of historical Fixing Days necessary for Extrapolation.
- 11.6 The specific quantitative criteria referred to above, and other procedures for defining deterministic processes related to the determination of Model Quotes are defined by the Administrator in the Model Quote Specification attached to the Code of Conduct.

### Technical standards and authorisation standards of persons contributing Quotes to the Administrator on behalf of Fixing Participants

- 11.7 The Administrator defines, in a separate document which links the Administrator with the Fixing Participants (Technical Standards) technical specifications of Quotes, specifying the

mode, form, and system requirements for the contribution of Quotes. Every time, each Quote received by the Administrator is verified to ensure that it complies with the specifications defined in the Technical Standards. In addition, for each received Quote, the Administrator checks the authorisation of the Quote Submitter to contribute the Quote on behalf of the Fixing Participant and the verification of the Quote by the Quote Approver within the Fixing Participant's first Level of Control.

- 11.8 For Model Quotes, each Model Quote should comply at all times with the technical guidelines defined by the Administrator in the Model Quote Specification.
- 11.9 For Committed Quotes, Fixing Participants should provide them taking into account the Administrator's Recommendation regarding the Committed Quotes.

## **12. CONTRIBUTOR CRITERIA**

- 12.1 Only an entity meeting the following Fixing Participant Criteria may be a Fixing Participant:
  - 12.1.1 having the Credit Institution status, and
  - 12.1.2 not subject to administration or a decision of the Bank Guarantee Fund to initiate resolution or write-down or conversion of equity instruments or eligible liabilities.
- 12.2 In relation to a branch of a Foreign Credit Institution and a branch of a Foreign Bank, the criterion referred to in point 12.1.2 is met if no measure, equivalent to administration appointed under the law applicable to the place of establishment of a parent company has been adopted in relation to the parent company, and if no decision to initiate resolution or write-down or conversion of equity instruments or eligible liabilities has been taken by a relevant competent authority in relation to a parent company.
- 12.3 The decision to classify an entity as a Fixing Participant-candidate is made by the Administrator, taking into account, apart from fulfilment of the Fixing Participant Criteria, also other components which, in the opinion of the Administrator, ensure, to the extent possible, a representative panel of Fixing Participants whose Quotes serve as the basis for the determination of the Reference Rates. In particular, the Administrator takes into account:
  - 12.3.1 the activity on the Underlying Market,
  - 12.3.2 the level of the CET1 ratio and the capital adequacy ratio in relation to Credit Institutions (based on data from the KNF), taking into account the KNF's recommendation, provided that the Administrator receives one. The Administrator shall review the Fixing Participant Criteria as part of the cyclical review of the Method of the Reference Rates.

## **13. ESTABLISHMENT, SUSPENSION AND TERMINATION OF THE FIXING PARTICIPANT STATUS**

- 13.1 The decision on the classification of an entity as a candidate Fixing Participant shall be made by the Administrator, taking into account the fulfilment of the Fixing Participant Criteria and the fulfilment of the criteria referred to in point 12.1.
- 13.2 If the Administrator decides to classify an entity as a candidate for a Fixing Participant, the Administrator shall apply to the Oversight Committee of Interest Rate Benchmarks for approval of the candidate for a Fixing Participant.
- 13.3 Having obtained the approval of the Reference Rate Indices Oversight Committee, the Administrator shall send a written invitation to the Fixing Participant candidate to participate in the Fixing.
- 13.4 The invitation to participate in the Fixing shall specify the date of the proposed entry into the Fixing. The invitation to participate in Fixing shall be accompanied by a template of the Declaration of Fixing Participant and a Questionnaire of Limits necessary to conclude Deposits

determined by the candidate Fixing Participant for Deposits placed with another Fixing Participant.

- 13.5 The invitation to participate in Fixing shall be valid for 30 days from the date of its delivery by the Administrator. If the proposal is accepted, the Fixing Participant Candidate should provide the Administrator with a signed Declaration of Fixing Participant and a completed Limits Questionnaire within this period.
- 13.6 Upon receipt of the Fixing Participant's Declaration, the Administrator shall decide whether to grant a Fixing Participant status.
- 13.7 If, for the period referred to in point 3.8 of the Code of Conduct, a Fixing Participant continuously fails to meet at least one of the conditions referred to in point 3.7, the Administrator shall exclude the Fixing Participant, applying accordingly the provisions of point 25.8 of the Code of Conduct.

#### **14. CONTRIBUTOR PANEL MEMBERS**

- 14.1 The members of the contributor panel are as follows:

- 14.1.1 Powszechna Kasa Oszczędności Bank Polski S.A.,
- 14.1.2 Erste Bank Polska S.A.,
- 14.1.3 Bank Polska Kasa Opieki S.A.,
- 14.1.4 Bank Gospodarstwa Krajowego,
- 14.1.5 BNP Paribas Bank Polska S.A.,
- 14.1.6 Bank Handlowy w Warszawie S.A.,
- 14.1.7 mBank S.A.,
- 14.1.8 ING Bank Śląski S.A.,
- 14.1.9 Bank Millennium S.A.,
- 14.1.10 Deutsche Bank Polska S.A.

#### **15. DESCRIPTION OF THE ADMINISTRATOR'S RULES AND PROCEDURES CONCERNING THE MEASURES OF INTERNAL REVIEW OF THE REFERENCE RATES METHOD**

- 15.1 The Procedure of Review and Change of Interest Rate Benchmarks Methods, the rules of which are published on the Administrator's website, defines the following:
  - 15.1.1 the Reference Rates Method review procedure,
  - 15.1.2 the Reference Rates Method modification procedure,
  - 15.1.4 the Reference Rates Method modification process in extraordinary cases,
  - 15.1.5 the Procedure of the cessation of the provision of the Reference Rates.

#### **16. DEFINITION OF MATERIAL CHANGE OF THE REFERENCE RATES METHOD**

- 16.1 A material change of the Reference Rates Method means any change of a Key Element of the Reference Rates Method which results in meeting the Materiality Criterion.
- 16.2 For the purpose of definition of the material change of the Reference Rates Method, the Administrator defined the following Key Elements of the Reference Rates Method:
  - 16.2.1 The Reference Rates are determined within the Fixing in accordance with 4.5,
  - 16.2.2 Quotes contributed by Fixing Participants are the Input Data,

- 16.2.3 The Reference Rates are determined at 11:00 am, or immediately thereafter, for all Fixing Tenors,
- 16.2.4 The Reference Rates are bilateral i.e., the Administrator determines a bid rate (the interest rate at which Deposits would be accepted) and an offer rate (the interest rate at which Deposits would be placed),
- 16.2.5 the Input Data in the form of Committed Quotes shall be binding, in connection to the Fixing Participant's commitment to enter into a transaction on the request of another Fixing Participant in accordance with the terms defined in points 6.22 to 6.24.
- 16.3 In the review of the materiality of changes of the Reference Rates Method, the Administrator applies the "Materiality Criteria", which measure the scale and scope of economic consequences of a change of a Key Element of the Reference Rates Method over a reference lookback period of 24 months before the materiality test of the change in the Key Element, setting the limit above which a change of the measurement method (Reference Rates Method) of a given market or economic conditions is considered a material change.
- 16.4 In the review of the materiality of changes of the Reference Rates Method, the Administrator verifies, based on the statistical tests described in point 16.6.1, whether a change to a Key Element of the Reference Rates Method causes the Materiality Criterion to be met and if so, it initiates a procedure for a material change of the Method, in accordance with the rules adopted in the Procedure referred to in point 15.
- 16.5 A change to the Key Element of the Method referred to in point 16.2.5 is considered material and is not subject to the materiality test for a change to the Reference Rate Method referred to in point 16.3.
- 16.6 Changes of market conditions which impact the performance of the Reference Rates are not considered to be indications which require a review of a material change.
- 16.6.1 The Administrator applies the following Materiality Criteria:
- (a) Material changes of the level of the Reference Rates. To identify a material change of the level of the Reference Rates, a statistical test is carried out for the WIBID or the WIBOR, for each Fixing Tenor separately, in order to verify a hypothesis that the absolute value of the difference between the average value of the model WIBID or WIBOR in the reference period and the average value of the historical WIBID or WIBOR respectively over the reference period does not exceed 5 basis points for the Fixing Tenors 1M-6M, if it exceeds the values above, it does not exceed 2% of the average value of the historical rate in the reference period. If the tested hypothesis is rejected for the WIBID or the WIBOR for a given Fixing Tenor, at a significance level of 5%, then the criterion is considered to be met for the benchmark in question and the Fixing Tenor in question (i.e. the change is material).
  - (b) Material changes of the performance of the Reference Rates. To identify a material change of the performance of the Reference Rates, a statistical test is carried out for the WIBID or the WIBOR, for each Fixing Tenor separately, in order to verify a hypothesis that rank correlation between the model WIBID or WIBOR in the reference period and the historical WIBID or WIBOR respectively in the reference period is positive (one-tailed test). If the tested hypothesis is rejected for the WIBID or the WIBOR for a given Fixing Tenor, at a significance level of 5%, then the criterion is considered to be met for the benchmark in question and the Fixing Tenor in question (i.e. the change is material).
  - (c) Material increase of the volatility of the Reference Rates. To identify a material increase of the volatility of the Reference Rates, a statistical test is carried out

for the WIBID or the WIBOR, for each Fixing Tenor separately, in order to confirm the hypothesis that the standard deviation of the first differences of the model WIBID or WIBOR in the reference period is not greater than the standard deviation the first differences of the historical WIBID or WIBOR in the reference period by more than 2.5 basis points for the Fixing Tenors 1M-6M (one-tailed test) and, if it exceeds the values above, that it does not exceed by 10% the standard deviation of the first differences of the historical WIBID or WIBOR respectively in the reference period (one-tailed test). If the tested hypothesis is rejected for the WIBID or the WIBOR for a given Fixing Tenor, at a significance level of 5%, then the Criterion is considered to be met for the benchmark and the Fixing Tenor in question (i.e. the change is material).

16.7 Point 16.1 does not apply to the Algorithmic Method.

## **ANNEX 2 - ALGORITHMIC METHOD FOR DETERMINING THE WIBOR REFERENCE RATE FOR THE 1Y FIXING TENOR DURING THE RUN-OFF PERIOD**

1.1. The Algorithmic Method applies exclusively to the calculation of the WIBOR for the 1Y Fixing Tenor on Fixing Days during its run-off period, in connection with the obligation imposed on the Administrator by the KNF to continue its determination.

1.2. The Algorithmic Method consists of determining the value of the WIBOR for the 1Y Fixing Tenor on a given Fixing Day based on the value of the WIBOR for the 3M Fixing Tenor established on that Fixing Day, increased by the value of the Adjustment Spread applied to ensure the appropriate economic value of the WIBOR for the 1Y Fixing Tenor determined using the Algorithmic Method.

1.3. The Administrator determines the value of the Adjustment Spread on each Fixing Day.

1.4. The value of the WIBOR Reference Rate for the 1Y Fixing Tenor on Fixing Day T is determined using the Algorithmic Method according to the following formula:

$$WIBOR_{1Y}(T) = WIBOR_{3M}(T) + 0,57*(9/3)*[WIBOR_{6M}(T) - WIBOR_{3M}(T)],$$

where:

*WIBOR 1Y(T)* – WIBOR for the 1Y Fixing Tenor determined using the Algorithmic Method on Fixing Day T (expressed as a %, rounded to two decimal places),

*WIBOR 3M(T)* – WIBOR for the 3M Fixing Tenor on Fixing Day T (in %),

*WIBOR 6M(T)* – WIBOR for the 6M Fixing Tenor on Fixing Day T (in %),

0.57 – Adjustment Coefficient,

9/3 – coefficient representing the ratio of the time span between the 3M and 1Y Fixing Tenors (i.e., 9 months) to the time span between the 3M and 6M Fixing Tenors (i.e., 3 months).

1.5. The input data used to determine the WIBOR for the 1Y Fixing Tenor on a given Fixing Day are the values of the WIBOR for the 3M and 6M Fixing Tenors on that Fixing Day, calculated in accordance with the Method of Determining the Reference Rates. The Algorithmic Method constitutes a mathematical transformation of the WIBOR for the 3M and 6M Fixing Tenors.

1.6. The Algorithmic Method does not involve prioritization of Input Data nor extrapolation or interpolation.

1.7. The Algorithmic Method does not allow the Administrator any discretion regarding Input Data.

### ANNEX 3 – DETAILED DESCRIPTION OF THE METHOD OF DETERMINING THE REFERENCE RATES USED TO THE VALUES OF THE WIBID AND WIBOR FOR THE FIXING TENORS 1M, 3M, 6M AND THE WIBID SW AND WIBOR SW

- 1.1. Following the verification of Quotes submitted by admitted Fixing Participants, referred to in point 10.1, the Administrator performs, on the basis of the Non-Transactional Data received, analytical activities in order to determine whether such Quotes may be taken into account in the Method of Determining the Reference Rates.
- 1.2. The Administrator determines the set of admitted Fixing Participants on the basis of information that they submitted the Questionnaires of Limits on a given Fixing Day.
- 1.3. In order for Quotes to be taken into account on a Fixing Day, the Fixing Participant submitting them must grant Minimum Limits to a number of admitted Fixing Participants not lower than required on the given day. Information on granting Minimum Limits to individual Fixing Participants is provided through the Questionnaire of Limits. Fulfilment of this condition is carried out subject to point 1.5.
  - 1.3.1. Let  $PLM_{i,j,d,t}$  denote information on whether Fixing Participant  $i$  granted Fixing Participant  $j$ , on Fixing Day  $d$ , for Fixing Tenor  $t$ , a credit limit at least equal to the Minimum Limit for that Fixing Tenor, where:
    - 1.3.1.1.  $PLM_{i,j,d,t} = \text{YES (1)}$ , if Fixing Participant  $i$  granted Fixing Participant  $j$ , on Fixing Day  $d$ , for Fixing Tenor  $t$ , a credit limit at least equal to the Minimum Limit for that Fixing Tenor.
    - 1.3.1.2.  $PLM_{i,j,d,t} = \text{NO (0)}$ , if Fixing Participant  $i$  did not grant Fixing Participant  $j$ , on Fixing Day  $d$ , for Fixing Tenor  $t$ , a credit limit at least equal to the Minimum Limit for that Fixing Tenor.
  - 1.3.2. The Questionnaire of Limits of Fixing Participant  $i$  for Fixing Day  $d$  forms the following set of information  $PLM_{i,j,d,t}$ :

$$\{PLM_{i,1,d,SW}; PLM_{i,1,d,1M}; PLM_{i,1,d,3M}; PLM_{i,1,d,6M}; PLM_{i,2,d,SW}; \dots; PLM_{i,j,d,3M}; PLM_{i,j,d,6M}\}$$

where:

$H$  denotes the set of Fixing Participants

$K_d$  denotes the set of admitted Fixing Participants on day  $d$  and  $i, j \in K_d, K_d \subseteq H$  and  $i \neq j$

$D$  denotes the set of Fixing Days and  $d \in D$

$T$  denotes the set of Fixing Tenors  $\{SW, 1M, 3M, 6M\}$  oraz  $t \in T$

- 1.3.3. Let  $SPLM_{i,d,t}$  denote the Sum of Granted Minimum Limits for Fixing Participant  $i$  on Fixing Day  $d$  for Fixing Tenor  $t$ .  $SPLM_{i,d,t}$  is defined by the formula:

$$SPLM_{i,d,t} = \sum_{j \in K_d} PLM_{i,j,d,t}$$

- 1.3.4. If, for Fixing Participant  $i$ , on Fixing Day  $d$ , for at least one Fixing Tenor  $t$ , the following condition is true:

$$SPLM_{i,d,t} < \left\lceil \frac{2}{3} (|K_d| - 1) \right\rceil$$

where:

$|K_d|$  denotes the number of admitted Fixing Participants on day  $d$ ,

then the Committed Quotes and Model Quotes submitted by Fixing Participant  $i$  on Fixing Day  $d$  are not used in the Fixing.

1.4. In order for Quotes to be taken into account on a Fixing Day, the Fixing Participant submitting them must receive Minimum Limits from a number of admitted Fixing Participants not lower than required on the given day. Information on the receipt of Minimum Limits from individual Fixing Participants is provided through their Questionnaires of Limits. Fulfilment of this condition is carried out subject to point 1.5.

1.4.1. Let  $OLM_{i,j,d,t}$  denote information on whether Fixing Participant  $i$  received from Fixing Participant  $j$ , on Fixing Day  $d$ , for Fixing Tenor  $t$ , a credit limit at least equal to the Minimum Limit for that Fixing Tenor, where:

1.4.1.1.  $OLM_{i,j,d,t} = \text{YES (1)}$ , if Fixing Participant  $i$  received from Fixing Participant  $j$ , on Fixing Day  $d$ , for Fixing Tenor  $t$ , a credit limit at least equal to the Minimum Limit for that Fixing Tenor.

1.4.1.2.  $OLM_{i,j,d,t} = \text{NO (0)}$ , if Fixing Participant  $i$  did not receive from Fixing Participant  $j$ , on Fixing Day  $d$ , for Fixing Tenor  $t$ , a credit limit at least equal to the Minimum Limit for that Fixing Tenor.

$OLM_{i,j,d,t}$  is determined based on the following relationship:

$$OLM_{i,j,d,t} = PLM_{j,i,d,t}$$

1.4.2. Let  $SOLM_{i,d,t}$  denote the Sum of Received Minimum Limits for Fixing Participant  $i$  on Fixing Day  $d$  for Fixing Tenor  $t$ .  $SOLM_{i,d,t}$  is defined by the formula:

$$SOLM_{i,d,t} = \sum_{j \in K_d} PLM_{j,i,d,t}$$

1.4.3. If, for Fixing Participant  $i$ , on Fixing Day  $d$ , for at least one Fixing Tenor  $t$ , the following condition is true:

$$SOLM_{i,d,t} < \left\lfloor \frac{1}{2}(|K_d| - 1) \right\rfloor$$

then the Committed Quotes and Model Quotes submitted by Fixing Participant  $i$  on Fixing Day  $d$  are not used in the Fixing.

1.5. Changes in the number of admitted Fixing Participants, represented by the value  $|K_d|$ , affect the values of the required number of granted Minimum Limits and received Minimum Limits referred to in points 1.3.4 and 1.4.4, respectively. If, due to the non-admission of other Fixing Participants, given Fixing Participant  $i$  does not meet the requirements referred to in sections 1.3.4 and 1.4.4, the values  $SPLM_{i,u,t}$  and  $SOLM_{i,u,t}$  shall be used for that Fixing Participant, where  $u \in D$  and  $u$  is the last Fixing Day preceding Fixing Day  $d$  on which  $|K_u| = |H|$ . These values are then used to determine whether Fixing Participant  $i$  met the requirements on Fixing Day  $d$  referred to in sections 1.3.4 and 1.4.4, respectively.

1.6. In order for Committed Quotes to be taken into account on a Fixing Day, the Fixing Participant submitting them must also submit to the Administrator the Availability Questionnaire within the time window specified in section 4.6.1 and meet the requirements referred to in sections 1.3.4 and 1.4.4.

1.7. Information obtained from the Availability Questionnaires is subject to analytical processing in order to calculate the Market Capacity of the Committed Quotes taken into account.

1.8. Let  $WPLK_{x,y,d,t}$  denote information on whether Fixing Participant  $x$ , within the credit limit granted to Fixing Participant  $y$ , has the capacity to place with that Fixing Participant a Deposit equal to at least the amount of the obligation on Fixing Day  $d$  for Fixing Tenor  $t$ , where:

- 1.8.1.  $WPLK_{x,y,d,t}$  = YES (1), if Fixing Participant  $x$ , within the credit limit granted to Fixing Participant  $y$ , has the capacity to place with that Fixing Participant a Deposit equal to at least the amount of the obligation on Fixing Day  $d$  for Fixing Tenor  $t$ .
- 1.8.2.  $WPLK_{x,y,d,t}$  = NO (0), if Fixing Participant  $x$ , within the credit limit granted to Fixing Participant  $y$ , does not have the capacity to place with that Fixing Participant a Deposit equal to at least the amount of the obligation specified in section 8.3 of the Code of Conduct, on Fixing Day  $d$  for Fixing Tenor  $t$ .
- 1.8.3. The Availability Questionnaire of Fixing Participant  $x$  for Fixing Day  $d$  forms the following set of information:

$$\{WPLK_{x,1,d,SW}; WPLK_{x,1,d,1M}; WPLK_{x,1,d,3M}; WPLK_{x,1,d,6M}; WPLK_{x,2,d,SW}; \dots; WPLK_{x,y,d,3M}; WPLK_{x,y,d,6M}\}$$

where:

$L_{d,t}$  denotes the set of Fixing Participants who correctly submitted the Availability Questionnaire on Fixing Day  $d$ , satisfied the requirements referred to in points 1.3.4 and 1.4.4, subject to point 1.5, and submitted Committed Quotes on day  $d$  for Fixing Tenor  $t$ , where  $L_{d,t} \subseteq K_d$  and  $x, y \in L_{d,t}$  and  $x \neq y$ .

- 1.9. Let  $SWPLK_{x,d,t}$  denote the Sum of Available Granted Credit Limits for Fixing Participant  $x$  on Fixing Day  $d$  for Fixing Tenor  $t$ .  $SWPLK_{x,d,t}$  is defined by the formula:

$$SWPLK_{x,d,t} = \sum_{y \in L_{d,t}} WPLK_{x,y,d,t}$$

- 1.10. Let  $WOLK_{x,y,d,t}$  denote information on whether Fixing Participant  $x$ , within the credit limit received from Fixing Participant  $y$ , may take from that Fixing Participant  $y$  a Deposit equal to at least the amount of the obligation on Fixing Day  $d$  for Fixing Tenor  $t$ , where:

- 1.10.1.  $WOLK_{x,y,d,t}$  = YES (1), if Fixing Participant  $x$ , within the credit limit received from Fixing Participant  $y$ , it may take from that Fixing Participant  $y$  a Deposit equal to at least the amount of the obligation on Fixing Day  $d$  for Fixing Tenor  $t$ .

- 1.10.2.  $WOLK_{x,y,d,t}$  = NO (0), if Fixing Participant  $x$ , within the credit limit received from Fixing Participant  $y$ , may not take from that Fixing Participant  $y$  a Deposit equal to at least the amount of the obligation on Fixing Day  $d$  for Fixing Tenor  $t$ .

- 1.10.3.  $WOLK_{x,y,d,t}$  is determined based on the following relationship:

$$WOLK_{x,y,d,t} = WPLK_{y,x,d,t}$$

- 1.10.4. Let  $SWOLK_{x,d,t}$  denote the Sum of Available Received Credit Limits of Fixing Participant  $x$  on Fixing Day  $d$  for Fixing Tenor  $t$ .  $SWOLK_{x,d,t}$  is defined by the formula:

$$SWOLK_{x,d,t} = \sum_{y \in L_{d,t}} WPLK_{y,x,d,t}$$

- 1.11. The Market Capacity of a Committed Quote submitted by Fixing Participant  $x$  on Fixing Day  $d$  for Fixing Tenor  $t$  ( $ZR(KW)_{x,d,t}$ ) is defined by the following formula:

$$ZR(KW)_{x,d,t} = \frac{0,5 * (SWOLK_{x,d,t} + SWPLK_{x,d,t})}{|L_{d,t}| - 1}$$

1.12. The weight of a Model Quote equals 1.

1.13. The weight of a Committed Quote  $w(KW)_{w,d,t,s}$  is defined by the following formula:

$$w(KW)_{w,d,t,s} = \begin{cases} ZR(KW)_{w,d,t,s} & \text{if } ZR(KW)_{w,d,t,s} \geq Floor \\ Floor & \text{if } ZR(KW)_{w,d,t,s} < Floor \end{cases}$$

where:

$S$  denotes the side of the Quote, i.e.  $S = \{bid, offer\}$  and  $s \in S$

$W_{d,t,s}$  denotes the set of Fixing Participants whose Committed Quotes were not excluded as extreme Quotes on day  $d$  for Fixing Tenor  $t$  on side  $s$ , where  $w \in W_{d,t,s}$  and  $W_{d,t,s} \subset L_{d,t}$

$Floor$  denotes the Lower Threshold of the Committed Quote Weight

1.14. The Fixing of the Reference Rates is defined by the following formula:

$$FIXING_{d,t,s} = \frac{\sum_{w \in W_{d,t,s}} (w(KW)_{w,d,t,s} * KW_{w,d,t,s}) + \sum_{m \in M_{d,t,s}} KM_{m,d,t,s}}{\sum_{w \in W_{d,t,s}} w(KW)_{w,d,t,s} + |M_{d,t,s}|}$$

where:

$M_{d,t,s}$  denotes the set of Fixing Participants whose Model Quotes were not excluded as extreme Quotes on day  $d$  for Fixing Tenor  $t$  on side  $s$ , where  $m \in M_{d,t,s}$  and  $M_{d,t,s} \subset K_d$

$KW_{w,d,t,s}$  denotes the Committed Quote submitted by Fixing Participant  $w$  on Fixing Day  $d$  for Fixing Tenor  $t$  on side  $s$

$KM_{m,d,t,s}$  denotes the Model Quote submitted by Fixing Participant  $m$  on Fixing Day  $d$  for Fixing Tenor  $t$  on side  $s$

$|M_{d,t,s}|$  denotes the number of Model Quotes that were not excluded as extreme Quotes on day  $d$  for Fixing Tenor  $t$  on side  $s$ .

#### ANNEX 4 – ABBREVIATIONS AND DEFINITIONS

|                                         |                                                                                                                                                                                                                                                                                                                                                                                             |
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| <b>Administrator</b>                    | GPW Benchmark S.A. with a registered office in Warsaw, ul. Książęca 4, 00-498 Warsaw, entered in the Register of entrepreneurs of the National Court Register by the District Court for the capital city of Warsaw in Warsaw, 12 <sup>th</sup> Commercial Division under the number KRS no. 0000493097; with share capital in the amount of PLN 5.900.000 - paid up in full; NIP 5252546511 |
| <b>Questionnaire of Limits</b>          | a questionnaire, the template of which is set out in Annex 3. to the Code of Conduct, concerning the limits necessary for concluding Deposit transactions, established by a Fixing Participant for Deposits granted to another Fixing Participant, submitted via the WIBIX Fixing System                                                                                                    |
| <b>Availability Questionnaire</b>       | a questionnaire, the template of which is set out in Annex 14 to the Code of Conduct, specifying the capacity to place a Deposit, equal to at least the amount of the obligation indicated in point 8.3 of the Code of Conduct, with individual Fixing Participants, submitted via the WIBIX Fixing System                                                                                  |
| <b>CET1</b>                             | Common Equity Tier 1 capital ratio referred to in Article 92(2)(a) of the Regulation (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 (OJ EU L 176 of 27.6.2013, p. 1)                                                                                                                        |
| <b>Transaction Data</b>                 | the Data on transactions concluded by the Fixing Participants based on which the Fixing Participant determines the Model Quote under the Waterfall Method                                                                                                                                                                                                                                   |
| <b>Non-Transactional Data</b>           | data submitted in the Questionnaire of Limits and the Availability Questionnaire                                                                                                                                                                                                                                                                                                            |
| <b>Input Data</b>                       | the Quotes, which are the input data within the meaning of Article 3(1)(14) of the Benchmarks Regulation                                                                                                                                                                                                                                                                                    |
| <b>Fixing Participant's Declaration</b> | a document submitted by the Fixing Participant to the Administrator, containing a declaration of will of the Fixing Participant concerning conclusion of an agreement with the Administrator, the content of which is specified in the Code of Conduct. A template of the Fixing Participant Declaration is attached as Annex 2 to the Code of Conduct                                      |
| <b>Deposit</b>                          | a transaction of a Fixing Participant consisting in the acceptance or placement of cash in Polish zloty for a fixed period, on which interest is charged for the period for which the cash was accepted or placed, without any legal collateral established to secure liabilities arising from such transaction                                                                             |
| <b>Quote Submitter</b>                  | a designated employee of the Fixing Participant responsible for the contribution of a Committed Quote or a Model Quote                                                                                                                                                                                                                                                                      |
| <b>Fixing Day</b>                       | a Business Day, on which the Fixing takes place                                                                                                                                                                                                                                                                                                                                             |

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| <b>Business Day</b>                                   | a calendar day, other than Saturday, Sunday, or a public holiday, on which the Fixing Participants operate on the Polish money market                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Effective Date of the Orderly Wind-down Period</b> | the effective date of the amendment to the Regulations introduced as a result of the public disclosure on 18 May 2026 of the Administrator's decision to cease the provision of the Reference Rates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Transaction Factor</b>                             | the numerical value constituting the basis for applying the BID/OFFER Spread Calculation Procedure under the Waterfall Method to determine the Model Bid-Quote and the Model Offer-Quote                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Fixing</b>                                         | the process of determination of the Reference Rates excluding the WIBOR for the 1Y Fixing Tenor, which is determined using the Algorithmic Method, and also covering the determination of WIBID SW and WIBOR SW.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Fund</b>                                           | an investment fund within the meaning of Article 3(1)(19) of the Benchmarks Regulation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Financial Instrument</b>                           | a financial instrument within the meaning of Article 3(1)(16) of the Benchmarks Regulation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Fixing Time</b>                                    | the Fixing Time for all Fixing Tenors on a given Fixing Day is 11:00 am, or immediately thereafter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>FINREP Instruction</b>                             | the document "Instruction for Completing Reporting Forms – FINREP (Individual)", available on the website <a href="http://www.nbp.pl">www.nbp.pl</a> together with all amendments and supplements thereto                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Credit Institution</b>                             | <p>means:</p> <ul style="list-style-type: none"> <li>a) domestic banks, including affiliating banks;</li> <li>b) branches of Foreign Credit Institutions operating in Poland and branches of Foreign Banks operating in Poland, excluding Foreign Banks and Foreign Credit Institutions themselves.</li> </ul> <p>For the purposes of this Code of Conduct, the category of Credit Institution does not include:</p> <ul style="list-style-type: none"> <li>a) central banks;</li> <li>b) cooperative banks;</li> <li>c) mortgage banks;</li> <li>d) cooperative savings and credit unions; and</li> </ul> <p>entities subject to administration or a decision of the Bank Guarantee Fund to initiate resolution or write-down or conversion of equity instruments or eligible liabilities</p> |
| <b>Key Elements of the Reference Rates Method</b>     | the elements of the Reference Rate Method listed in point 16.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>KNF</b>                                            | Komisja Nadzoru Finansowego (the Polish Financial Supervision Authority)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Code of Conduct</b>                                | WIBID and WIBOR Fixing Participant Code of Conduct with all annexes which are integral parts thereof, with all amendments and additions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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| <b>Oversight Committee of Interest Rate Benchmarks</b> | the committee appointed by the Administrator, performing the oversight function as defined in Article 5 of the Benchmarks Regulation in relation to interest rate benchmarks as defined in the Benchmarks Regulation                                                                                                                                                                          |
| <b>Fixing Participant Criteria</b>                     | the mandatory criteria to be met by any entity to obtain the Fixing Participant status                                                                                                                                                                                                                                                                                                        |
| <b>Model Quote</b>                                     | the interest rate at which the Fixing Participant could accept (Model Bid-Quote) or place (Model Offer-Quote) a Deposit on the Underlying Market for each Fixing Tenor, determined by a Fixing Participant in accordance with the conditions set out in the Code of Conduct, based on Transaction Data in accordance with the Waterfall Method, being the result of Waterfall Level 1, 2 or 3 |
| <b>Quote</b>                                           | the Model Quote and the Committed Quote, constituting the Input Data upon which the Administrator performs the Fixing of Reference Rates for particular Fixing Tenors in accordance with the Method of Determining the Reference Rates                                                                                                                                                        |
| <b>Suspicious Quote</b>                                | the Quote, as to which manipulation, as defined in the MAR, can be suspected                                                                                                                                                                                                                                                                                                                  |
| <b>Committed Quote</b>                                 | the Quote specifying the interest rate at which the Fixing Participant is, in accordance with the conditions set out in the Code of Conduct, committed to place (Committed Offer-Quotes) or accept a Deposit (Committed Bid-Quotes) from another Fixing Participant for each of the Fixing Tenors, the result of Level 4 of the Waterfall Method                                              |
| <b>MAR</b>                                             | the Regulation of the European Parliament and the Council 596/2014 of April 16 <sup>th</sup> 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (Market Abuse Regulation), including the delegated and implementing acts                                                  |
| <b>Algorithmic Method</b>                              | the method applied by the Administrator to determine the value of the WIBOR for the 1Y Fixing Tenor during the run-off period from 22 <sup>nd</sup> December 2025 to 21 <sup>st</sup> December 2026, i.e., during the period of mandatory determination in accordance with Article 21(3) of the Benchmark Regulation                                                                          |
| <b>Waterfall Method/<br/>Waterfall</b>                 | the method by which the Fixing Participants determine the Input Data in accordance with the hierarchy of Waterfall Method Levels, i.e. determine Quotes contributed to the Administrator for appropriate Fixing Tenor, in accordance with the detailed rules laid down in the Code of Conduct                                                                                                 |
| <b>Reference Rates Method</b>                          | the Method of Determining the Reference Rates and the Waterfall Method, applied in conjunction in the process of provision of the Reference Rates, as well as Algorithmic Method                                                                                                                                                                                                              |
| <b>Method of Determining the Reference Rates</b>       | the method applied by the Administrator to determine the Reference Rates as well as WIBID SW and WIBOR SW in form of the Fixing                                                                                                                                                                                                                                                               |

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| <b>Orderly Wind-down Period</b>                                                       | the period from the date of public disclosure on 18 May 2026 of the Administrator's decision to cease the provision of the Reference Rates until the date of their cessation                                                                                                                                                                                                                                                                                |
| <b>Transitional Period</b>                                                            | the period from the Effective Date of the Orderly Wind-down Period until users of the Reference Rates achieve readiness to implement product strategies that exclude references to the WIBID and WIBOR Reference Rates, and in any event no later than 31 December 2026                                                                                                                                                                                     |
| <b>Incrementality Parameter</b>                                                       | the minimum number of Transaction Data necessary to determine a Model Quote in accordance with the Waterfall Method hierarchy                                                                                                                                                                                                                                                                                                                               |
| <b>Entities Using the Reference Rates</b>                                             | Users of the Reference Rates and Recipients of the Reference Rates                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Banking Law</b>                                                                    | the Act of 29 August 1997 "Banking Law" (JoL. of 2018, item 2187, as amended)                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Procedure of Extrapolation of Prices from Related Markets to Underlying Market</b> | the procedure by which the volume-weighted average price value is determined on the basis of the Transaction Data on the Related Market is subject to adjustment and stabilization in accordance with the Model Quote Specification so as to represent the value consistent with the Underlying Market                                                                                                                                                      |
| <b>Model Quote Interpolation Procedure</b>                                            | the procedure by which the Fixing Participant performs interpolation of the Model Quote values, which means the process by which the Fixing Participant determines the Model Quote for a given Fixing Tenor on a given Fixing Day based on Model Quotes from Level 1 for the two Fixing Tenors adjacent to that Fixing Tenor on the given Fixing Day                                                                                                        |
| <b>Procedure of Allocation of Fixing Tenors to Transactions</b>                       | the analytical procedure by which the Fixing Participants assign the Fixing Tenors to the Eligible Transactions                                                                                                                                                                                                                                                                                                                                             |
| <b>Procedure of Allocation of Fixing Tenors to Non-fixing Tenor Transactions</b>      | the procedure by which exactly two closest Fixing Tenor Transactions, defined by prices and volume are assigned to each Eligible Non-fixing Tenor Transaction                                                                                                                                                                                                                                                                                               |
| <b>BID/OFFER Spread Calculation Procedure</b>                                         | the analytical procedure by which the Fixing Participants determine the Quote Spread applied on the Transaction Factor, which leads to the determination of the Model Bid-Quotes and Model Offer-Quotes                                                                                                                                                                                                                                                     |
| <b>Analytical Procedures</b>                                                          | <p>the procedures applied in the Waterfall Method:</p> <ul style="list-style-type: none"> <li>• Procedure of Allocation of Fixing Tenors to Transactions,</li> <li>• Model Quote Interpolation Procedure,</li> <li>• Procedure of Allocation of Fixing Tenors to Non-fixing Tenor Transactions,</li> <li>• Procedure of Extrapolation of Prices from Related Markets to the Underlying Market,</li> <li>• BID/OFFER Spread Calculation Procedure</li> </ul> |
| <b>Regulations for the WIBID and WIBOR Reference Rates</b>                            | the Administrator's regulations addressed to Entities Using the Reference Rates, specifying the principles of determination of the Reference Rates, their publication and use                                                                                                                                                                                                                                                                               |

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| <b>Rules for Granting Licences for the Use and Apply of Benchmark Indices in Debt Securities</b> | the rules for granting licences for the use and application of benchmarks in debt securities, upon accession to which the determination of interest amounts in issuances of debt securities issued by Reference Rates Users is permitted                                                                                                                                                 |
| <b>Administrator's Recommendation regarding the Committed Quotes</b>                             | Annex 10 to the Code of Conduct, specifying the set of Administrator's guidelines for Fixing Participants, laying down the principles for determining the Committed Quote by a Fixing Participant                                                                                                                                                                                        |
| <b>Benchmarks Regulation</b>                                                                     | the 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                                                                               |
| <b>Underlying Market</b>                                                                         | the Deposit transactions in the Polish Zloty concluded between the Fixing Participants as well as concluded by the Fixing Participants with entities which are not Fixing Participants but meet the Fixing Participant Criteria                                                                                                                                                          |
| <b>Related Markets</b>                                                                           | the Segments which the Administrator classified as the markets related to the Underlying Market (e.g. the Financial Institutions Segment)                                                                                                                                                                                                                                                |
| <b>Segment</b>                                                                                   | the fragment of the money market in Polish zloty (covering the Deposit transactions), which the Administrator may classify as the Related Market                                                                                                                                                                                                                                         |
| <b>Financial Institutions Segment</b>                                                            | the Segment, which consists of the Deposit transactions concluded by Fixing Participants with non-Credit Institutions foreign credit institutions without a branch in Poland and foreign banks without a branch in Poland, pension, insurance and investment institutions as defined in the FINREP Instruction, mortgage banks, cooperative banks and cooperative savings/ credit unions |
| <b>Other Financial Institutions Segment</b>                                                      | the Segment, which consists of the Deposit transactions concluded by the Fixing Participants with financial institutions other than Credit Institutions, foreign banks, foreign credit institutions, pension, insurance, investment institutions as defined in the FINREP Instruction, mortgage banks, cooperative banks and cooperative savings/ credit unions                          |
| <b>Model Quote Specification</b>                                                                 | the Annex 8 to the Code of Conduct specifying the detailed principles for determining the Model Quote                                                                                                                                                                                                                                                                                    |
| <b>Quote Spread</b>                                                                              | the spread between the offer rate and the bid rate, provided in the Quote by each of the Fixing Participants                                                                                                                                                                                                                                                                             |
| <b>Reference Rates</b>                                                                           | the WIBID and the WIBOR, which are interest rate benchmarks within the meaning of Article 3(1)(22) of the Benchmarks Regulation, constituting a family of reference indicators within the meaning of Article 3(1)(4) of the Benchmarks Regulation                                                                                                                                        |
| <b>Fixing Tenors</b>                                                                             | the Deposit tenors for which the Fixing Participants are required to contribute the Quotes on the Fixing Day in accordance with the Code of Conduct                                                                                                                                                                                                                                      |

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| <b>Non-fixing Tenors</b>                        | the Deposit tenors that are not Fixing Tenors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Eligible Transaction</b>                     | the transaction of volume greater than, or equal to, the minimum volume eligibility threshold set by the Administrator, as specified in the Model Quote Specification                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Temporary Change of Method</b>               | the change of the Method of Determining the Reference Rates, conducted under the circumstances specified in point 30.3 of the Code of Conduct                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Fixing Participant</b>                       | the entity that has received confirmation of the Fixing Participant status from the Administrator and has not lost the status in accordance with the principles set out in the Code of Conduct                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Financial Contract</b>                       | a financial contract within the meaning of Article 3(1)(18) of the Benchmarks Regulation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Agreement for the Use of Reference Rates</b> | an agreement concluded in accordance with the Regulations for the WIBID and WIBOR Reference Rates, under which Entities Using Reference Rates are authorised to use Reference Rates to the extent of point 7.1 of the Regulations                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Act on Trading in Financial Instruments</b>  | the Act of July 29 <sup>th</sup> 2005 on trading in financial instruments (JoL. of 2020 item 89, as amended)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Reference Rates' User</b>                    | any entity using the Reference Rates to the extent of point 7.1 of the Regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Technical Standards</b>                      | a document of a confidential nature, not disclosed to entities other than Fixing Participants, constituting the trade secret of GPW Benchmark S.A., forming Annex 12 to the Code of Conduct, specifying in particular the technical specifications regarding the contribution of Quotes, including the mode, form and system requirements for the contribution of Quotes, including the rules for monitoring the submission of Input Data to the Administrator, and defining contingency arrangements for the submission of Input Data to the Administrator, in particular in the event of technical or operational issues |
| <b>Quote Approver</b>                           | the person conducting verification of the Quote in the Quoting Unit before contributing the Quote to the Administrator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>the WIBID SW and the WIBOR SW</b>            | values determined for the SW Fixing Tenor in accordance with the Method of Determining the Reference Rates, constituting an element of the Reference Rate Method used to determine the WIBID and the WIBOR                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>the WIBID</b>                                | the interest rate benchmark, within the meaning of Article 3(1)(22) of the Benchmarks Regulation, reflecting the interest rate at which entities meeting the Fixing Participant Criteria would accept a Deposit for a specific Fixing Tenor from other entities that meet the Fixing Participant Criteria                                                                                                                                                                                                                                                                                                                  |
| <b>the WIBOR</b>                                | the interest rate benchmark, within the meaning of Article 3(1)(22) of the Benchmarks Regulation, being a critical benchmark within the meaning of Article 3(1)(25) of the Benchmarks Regulation, reflecting the interest rate at which entities meeting the Fixing Participant Criteria would plane a                                                                                                                                                                                                                                                                                                                     |

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|                        | Deposit for a specific Fixing Tenor with other entities that meet the Fixing Participant Criteria                                                                                                                                                         |
| <b>Market Capacity</b> | measure determining the capacity of a Fixing Participant to place Deposits with other Fixing Participants or to accept Deposits from them for individual Fixing Tenors, determined on the basis of the Availability Questionnaires for a given Fixing Day |