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**WIBID AND WIBOR FIXING PARTICIPANT  
CODE OF CONDUCT**

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Warsaw, November 30th, 2017

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## Definitions

<b>Administrator</b>	GPW Benchmark S.A. with a registered office in Warsaw, ul. Książęca 4, 00-498 Warsaw, entered into register of entrepreneurs of the National Court Register by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division under KRS no. 0000493097; with share capital of PLN 1 900 000 - fully paid up; NIP 5252546511
<b>Act on Trade in Financial Instruments</b>	the act of July 29th, 2005 on trade in financial instruments (Journal of Laws of 2017, item 1768 of 2009).
<b>Banking Law</b>	Act of August 29th, 1997 - Banking Law (Journal of Laws of 2017 item 1876 as amended)
<b>Basic Criteria</b>	obligatory criteria to be met by a financial institution to earn Fixing Participant status
<b>Benchmarks Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and the Council of June 8th, 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) No. 596/2014
<b>Bid Rate</b>	interest rate, at which the Fixing Participant is ready to accept a Deposit from another Fixing Participant
<b>BSB</b>	a <i>buy-sell-back transaction</i>
<b>Business Day</b>	a calendar day, other than a Saturday or a statutory holiday, including Sundays, during which the Fixing Participants operate on the Polish money market
<b>Code of Conduct</b>	This WIBID and WIBOR Fixing Participant Code of Conduct with all amendments and supplements
<b>Competent Authority</b>	Polish Financial Supervision Authority
<b>Confidential Information</b>	information subject to protection within the framework of the Confidentiality Protection Procedure, including: <ul style="list-style-type: none"> <li>- the Quoting Policy,</li> <li>- the Contribution Template,</li> <li>- information associated with Quote setting, contributed within the framework of communication of the Quoting Function with other functions of the Fixing Participant during the Special Protection Period</li> </ul>
<b>Confidentiality Protection Procedure</b>	a procedure which ensures the appropriate protection of Confidential Information associated with the setting, verification and contribution of Quotes
<b>Confirmation of Quote Compliance</b>	a certificate, resulting from a formal inspection of compliance of the Quote with internal Quoting Policy, conducted by the Second Line of Control
<b>Contribution Template</b>	audit file or files, which are filled out by the Quote Submitter, determining the Quote, which serves as a basis for verification of compliance of the Quote with the internal Quoting Policy within the framework of the Second Line of Control
<b>Data Delivery Procedure</b>	a set of principles and the mode of contribution of data, constituting Appendix 7 to the Code of Conduct

<b>Date of Decision to amend the Code of Conduct</b>	the date of the Administrator's decision to amend the Code of Conduct. The amended Code of Conduct is presented by the Administrator to the Fixing Participants for acceptance (no later than on the 7th day from the date of the decision to amend the Code of Conduct).
<b>Deposit</b>	an unsecured deposit in zlotys (PLN), accepted or placed on the interbank market
<b>Emergency Procedure</b>	the procedure for contribution of Quotes in emergency situations, constituting a part of the Technical Conditions
<b>Error</b>	an event which is not a Suspicious Quote, but possesses the attributes of an unintentional defect, found during the preparation stage of a Quote sent to the Administrator
<b>Error Correction Procedure</b>	a procedure to be followed in cases wherein an error in the Quote is detected
<b>Escalation Procedure</b>	a procedure that the Administrator is authorized to conduct in relation to a Fixing Participant in the case of a violation of the Code of Conduct by the Fixing Participant
<b>Fixing</b>	the procedure of determining the Reference Rates
<b>Fixing Date</b>	a Business Day, during which Fixing takes place
<b>Fixing Participant</b>	an entity which has received confirmation of having been granted Fixing Participant status from the Administrator
<b>Fixing Suspension Period</b>	a period, during which suspension of setting Reference Rates takes place in accordance with the WIBID and WIBOR Reference Rate Regulations
<b>Fixing System</b>	a system used for the purpose of contributing Quotes to the Administrator, calculating the Fixing, publishing and distribution
<b>Information Sheet</b>	a document containing contact information of the Administrator and the Fixing Participant, constituting Appendix 4 and 5 to the Code of Conduct, respectively
<b>Limits Survey</b>	a survey, consistent with Appendix 3 to the Code of Conduct, pertaining to limits necessary to enter into Deposit transactions, set by a Fixing Participant candidate for Deposits granted to another Fixing Participant
<b>Lines of Control</b>	The First, Second and Third Line of Control, implementing the control process within the framework of the organizational structure of the Fixing Participant, associated with the performance of obligations of the Fixing Participant, based on the Code of Conduct and the Benchmarks Regulation
<b>MAR</b>	Regulation of the European Parliament and the Council no. 596/2014 of April 16th, 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
<b>Minimum Limits</b>	minimum transaction limits, specified by the Administrator, which the Fixing Participant is obliged to maintain for at least 2/3 of the remaining Fixing Participants
<b>NBP</b>	National Bank of Poland

<b>Offered Rate</b>	interest rate, at which the Fixing Participant is ready to place a Deposit at another Fixing Participant
<b>OIS</b>	overnight index swap transaction
<b>Oversight Committee</b>	A committee appointed by the Administrator, performing the oversight function as defined in Art. 5 of the Benchmarks Regulation
<b>Participant Candidate</b>	an entity, which receives an invitation to participate in the Fixing from the Administrator
<b>Person Approving Quote</b>	a person of the Second Line of Control, conducting a verification of the Contribution Template after contribution of the Quote to the Administrator, submitting the Quote Compliance Confirmation to the Administrator
<b>PLN</b>	zloty – Polish currency
<b>Procedure for Identification of Suspicious Quotes</b>	a procedure specifying the way in which Suspicious Quotes are identified
<b>Publication</b>	disclosure by the Administrator of results of the Fixing of Reference Rates to the Fixing Participants via the Fixing System not earlier than 11:00 AM
<b>Quote</b>	a simultaneous provision by a Fixing Participant of a bid rate and an offered rate for a given Deposit period, expressing readiness of the Fixing Participant to enter into the Deposit transaction with another Fixing Participant, in accordance with the terms and conditions specified in the Code of Conduct
<b>Quote Approver</b>	the person conducting verification of the Quote within the framework of the Quoting Function before contribution of the Quote to the Administrator
<b>Quote Contribution Procedure</b>	an operating procedure of the Fixing Participant, specifying the rules of contribution of Quotes to the Administrator
<b>Quote Control Procedure</b>	a procedure specifying the principles of internal control of processes associated with the setting and contribution of Quotes
<b>Quote Submitter</b>	the designated employee of the Fixing Participant, responsible for the setting and contribution of the Quote
<b>Quote Submitters Procedure</b>	a procedure of the Fixing Participant, specifying the detailed criteria to be met by a Quote Submitter
<b>Quoting Function</b>	organizational function responsible for the setting and contribution of a Quote
<b>Quoting Policy</b>	a set of guidelines, methods and the mode, as well as variables used to set the Quote
<b>Quote Spread</b>	difference between the offered rate and the bid rate provided by each Fixing Participant
<b>Reference Rates</b>	WIBID and WIBOR
<b>Registers and Archiving Procedure</b>	a procedure specifying the principles of data registration, communication, documents associated with the process of setting, contribution and verification of Quotes, as well as archiving of the above provisions

<b>Regulations for the WIBID and WIBOR Reference Rates</b>	regulations addressed to entities using the Reference Rates, specifying the principles of the setting of Reference Rates, their publication and use
<b>Repo</b>	a financial transaction of the sale of a security with a simultaneous commitment to repurchase this security at a specified date in the future
<b>Representing Person</b>	person indicated in the Information Sheet by the Fixing Participant and the Administrator
<b>SBB</b>	sell-buy-back transaction
<b>Special Protection Period</b>	the period between receipt of gathered data and factors serving as a basis for the setting of the Quote by the Quote Submitter and the moment of Publication
<b>Suspicious Quote</b>	A Quote towards which there exists a suspicion of manipulation as defined in the MAR
<b>Technical Conditions</b>	technical specifications with regard to the contribution of Quotes, specifying the mode, form and system requirements for contribution of Quotes
<b>Temporary Change of Method</b>	a change in the method of setting Reference Rates, conducted under the circumstances specified in clause 30.3 of the Code of Conduct
<b>The Conflicts of Interest Management Policy</b>	the policy for handling conflicts of interest associated with participation in Fixing
<b>The Fixing Participant's Declaration</b>	a document submitted to the Administrator by the Fixing Participant, containing a statement of will of the Fixing Participant to conclude an agreement with the Administrator, the content of which is specified in the Code of Conduct. A template of the Fixing Participant's Declaration can be found in Appendix 2 to the Code of Conduct
<b>The Fixing Participant's Policies and Procedures</b>	a set of policies and procedures regulating processes specified in the Code of Conduct
<b>Tier 1</b>	core equity as a percentage of risk-weighted assets
<b>Training Policy</b>	the policy of the Fixing Participant, defining the rules of conducting trainings for all employees of the Fixing Participant, involved in the process of setting, contribution and verification of Quotes
<b>WIBID</b>	benchmark for bid rates from Quotes calculated during Fixing (Warsaw Interbank Bid Rate)
<b>WIBOR</b>	benchmark for offer rates from Quotes calculated during Fixing (Warsaw Interbank Offered Rate)

## 1. **INPUT DATA USED BY THE ADMINISTRATOR TO SET REFERENCE RATES**

- 1.1 The Administrator sets the Reference Rates on the basis of Quotes contributed to the Administrator within the framework of the Fixing. The Quotes are committed quotes as specified in the Benchmarks Regulation.
- 1.2 Quotes are contributed by entities which have been granted Fixing Participant status by the Administrator.

## 2. **FIXING PARTICIPANT SELECTION CRITERIA**

- 2.1 Fixing Participant status may be granted to financial institutions fulfilling the following Basic Criteria:
  - 2.1.1 has the status of :
    - (a) a domestic bank holding at least 1% of shares in the assets of the domestic bank sector (provided that the Administrator verifies the share in the assets of the sector on the basis of information made available by the Competent Authority), or
    - (b) a bank associating cooperative banks, or
    - (c) a branch of a credit institution operating in Poland, or
    - (d) a branch of a foreign bank operating in Poland,
  - 2.1.2 has not been subject to the appointment of a forced administrator or to the implementation of a repair plan, as defined in the Banking Law, and has not been subject to a decision of the Banking Guarantee Fund to initiate forced restructuring or writing down or conversion of equity instruments.
- 2.2 The decision to classify an entity as a Fixing Participant candidate is made by the Administrator, taking into account, apart from fulfillment of the Basic Criteria, other components, which, in the opinion of the Administrator, allow to the best possible extent for the creation of a representative panel of Fixing Participants, whose Quotes serve as the basis for setting Reference Rates. In particular, the Administrator takes into account:
  - 2.2.1 activity on the Polish interbank market,
  - 2.2.2 Tier 1 ratio and solvency ratio in relation to domestic banks and credit institutions as well as foreign banks with branches within the territory of the Republic of Poland (based on data from the Competent Authority), taking into account the recommendation of the Competent Authority, provided that such a recommendation has been obtained by the Administrator.
- 2.3 Verification of a Fixing Participant Candidate's and a Fixing Participant's share in the assets of the domestic bank sector, branches of credit institutions and branches of foreign banks is to take place at least once a year.
- 2.4 The Fixing Participant is obliged to notify the Administrator if they cease to meet the Basic Criteria.
- 2.5 Delivery of the information referred to in clause 2.4 should take place within 5 Working Days from the occurrence of legal or factual circumstances which constitute the basis for the Fixing Participant failing to meet one of the Basic Criteria.

- 2.6 Upon receipt of the information referred to in clause 2.4, the Administrator, after obtaining the opinion of the Oversight Committee, may decide to withdraw the Fixing Participant status of a Fixing Participant.
- 2.7 The decision referred to in clause 2.6, may also be made by the Administrator in a situation in which, despite a lack of information from the Fixing Participant, referred to in clause 2.4, the Administrator has obtained the above information from other sources. In such a case, the Administrator is obliged to verify the obtained information with the Competent Authority.
- 2.8 The decision of the Administrator, referred to in clause 2.6, is delivered in writing. It becomes effective on the following Working Day from the date of its receipt by the Fixing Participant.

### **3. THE PROCESS OF ESTABLISHING OF A LEGAL RELATIONSHIP BY A FIXING PARTICIPANT AND THE ADMINISTRATOR**

- 3.1 In the case that the decision, referred to in clause 2.2, to classify a given entity as a Fixing Participant candidate is made, the Administrator addresses the Oversight Committee, requesting acceptance of the Fixing Participant Candidate. Upon the acceptance of the Oversight Committee, the Administrator sends a written invitation to participate in the Fixing to the Fixing Participant Candidate.
- 3.2 The invitation to participate in the Fixing specifies the date on which it is proposed that the Participant joins the Fixing. Attached to the invitation to participate in the Fixing is the Fixing Participant Declaration form and the Limits Survey, specifying the limits necessary to place Deposits, specified by the Fixing Participant Candidate for Deposits placed at another Fixing Participant.
- 3.3 The invitation to participate in the Fixing is valid for 30 days from the date of its delivery by the Administrator. In the case of acceptance of the proposal, the Fixing Participant Candidate should, within this deadline, provide the Administrator with a signed Fixing Participant Declaration and a filled out Limits Survey.
- 3.4 Upon receipt of the Fixing Participant Declaration, the Administrator makes the decision to grant Fixing Participant status.
- 3.5 The Administrator informs the Fixing Participant of the granting of Fixing Participant status in writing. The above information is also delivered to other Fixing Participants and published on the Web page of the Administrator: <https://gpwbenchmark.pl/>. After receiving the above information, Fixing Participants are obliged to adjust the structure of Minimum Limits within one month after receipt of the above information.
- 3.6 Upon receipt from the Administrator of the information referred to in clause 3.5, an agreement is entered into between the Administrator and the Fixing Participant, as specified in the Code of Conduct. The Agreement comes into force on the date specified in the decision, however, not earlier than on the following Working Day after receipt by the Fixing Participant of the information referred to in clause 3.5.

#### 4. **COMMITMENTS OF THE PARTIES**

##### 4.1 The Administrator is obliged to:

- 4.1.1 set the Reference Rates in accordance with the WIBID and WIBOR Reference Rate Regulations,
- 4.1.2 follow the Code of Conduct, which includes ensuring the technical conditions necessary for the delivery of Quotes, as specified in the Code of Conduct,
- 4.1.3 ensure the security of data and information received from the Fixing Participant (Quotes, transaction information, communication with the Fixing Participant).

##### 4.2 The Administrator, as well as any other persons acting in their name and on their behalf, are obliged to ensure the confidentiality of information received from Fixing Participants and Fixing Participant candidates.

##### 4.3 Subject to legal provisions in force, the requirement of confidentiality in relation to the Competent Authority and the NBP may be withdrawn by the Administrator each time on request of the Chairman of the Competent Authority and the President of the NBP, respectively.

##### 4.4 The Fixing Participant is obliged to comply with the provisions of the Code of Conduct.

#### 5. **THE MODE AND FORM OF COMMUNICATION BETWEEN THE ADMINISTRATOR AND THE FIXING PARTICIPANT**

##### 5.1 The Administrator and the Fixing Participant exchange Information Sheets, which contain the following information :

- 5.1.1 indication of a Representative and their e-mail addresses, phone numbers, which may be used for the purpose of communication in forms other than in writing,
- 5.1.2 indication of other persons on the part of the Fixing Participant and the Administrator and their e-mail addresses, phone numbers, which may be used for the purpose of communication in forms other than in writing,
- 5.1.3 indication of service addresses, to which written correspondence is to be sent.

##### 5.2 The Fixing Participant's Information Sheet constitutes an appendix to the Fixing Participant Declaration. The Administrator sends their Information Sheet to the Fixing Participant within 7 days of receiving the Fixing Participant's Information Sheet.

##### 5.3 In situations in which the Code of Conduct does not specify the form of communication, communication between the Administrator and the Fixing Participant takes place via e-mail to e-mail addresses specified in the Information Sheet. Communication via phone is acceptable, provided that every conversation is recorded.

##### 5.4 In situations in which the Code of Conduct provides for written form, communication takes place through delivery (including mailing) to the Representative of a given party of a letter signed by the Representative of the other party. Delivery of the letter should be preceded by an e-mail with a scan of the letter, sent to the e-mail addresses of the Representative.

- 5.5 Every piece of communication between the Administrator and the Fixing Participant should be recorded and archived by both parties for a period of at least 5 years from the date on which such communication is recorded.

## 6. **QUOTING CONDITIONS**

- 6.1 On the Fixing Date, by 11:00 a.m., every Fixing Participant is obliged to provide the Quotes Administrator with Deposits for each period, for which the Administrator sets the Fixing in accordance with the method of setting Reference Rates, specified in the Regulations for WIBID and WIBOR Reference Rates, that is:

- (a) 1 Working Day – overnight (O/N),
- (b) 1 Working Day – tomorrow/next (T/N),
- (c) 1 week (SW),
- (d) 2 weeks (2W),
- (e) 1 month (1M),
- (f) 3 months (3M),
- (g) 6 months (6M),
- (h) 9 months (9M),
- (i) 1 year (1Y).

- 6.2 The Quote Spread must not be lower than zero or greater than:

6.2.1 30 basis points for the periods of O/N, T/N,

6.2.2 20 basis points for the periods ranging from 1 week to 1 year.

- 6.3 If Reference Rates cannot be set within the framework of the Fixing by 11:00, Fixing time may be postponed until no later than 15:00. The Administrator is obliged to inform the Fixing Participants immediately, no later than by 11:05 on the date of such a postponement of the Fixing, of the postponement, and provide the Fixing Participants with information concerning the causes of such a postponement and the Fixing time on a given day. In such a case, the Fixing Participants are obliged to contribute Quotes until the Fixing time indicated by the Administrator. The Administrator has developed the appropriate emergency procedures, setting the rules of conduct which take effect under the circumstances described above.

## 7. **THE PROCESS OF QUOTE VERIFICATION BY THE ADMINISTRATOR PRIOR TO PUBLISHING**

- 7.1 The received Quote is verified by the Administrator before being included in the calculation. Acceptance of a Quote by the Administrator via the Fixing System is equivalent to completing the verification of:

7.1.1 authorization of the Quote Submitter to deliver the Quote on behalf of the Fixing Participant,

7.1.2 compliance of the Quote format with the format specified in the Technical Conditions,

7.1.3 compliance with the Quote contribution deadline, specified in the Code of Conduct,

- 7.1.4 completeness of the Quote in accordance with the provisions of clause 7.3,
- 7.1.5 completed verification of the Quote by the Quote Approver within the first Line of Control of the Fixing Participant,
- 7.1.6 compliance of the acceptable Quote Spread with the values indicated in clause 6.2.
- 7.2 Under extraordinary circumstances, when it is not possible to contribute the Quote via the Fixing System, the verification mode will be defined in the Emergency Procedure.
- 7.3 A Quote for a given period, indicating only the Bid Rate or the Offered Rate, is deemed to be incomplete. Thus, it is not accepted by the Administrator, which is equivalent to non-participation in the Reference Rate Fixing for a given period.
- 7.4 A Quote for a given period not compliant with the conditions specified in clause 6.2, is not accepted by the Administrator, which is equivalent to non-participation in the Reference Rate Fixing for a given period.

## **8. THE OBLIGATION TO ENTER INTO TRANSACTIONS**

- 8.1 By contributing a Quote, the Fixing Participant undertakes, on demand of another Fixing Participant, subject to the provisions of clauses 8.3 - 8.7, to enter into a transaction with other Fixing Participants, constituting placement or acceptance of a Deposit for the periods indicated in the Quote, within the first 15 minutes after the Publication.
- 8.2 Transactions encompassing placement or acceptance of Deposits for periods specified in the Quote are to be executed in accordance with the conditions of the Bid Rate and the Offered Rate, not worse than those contributed by the Fixing Participant as the Quote to the Administrator for the purpose of the setting of Fixing for a given date.
- 8.3 The obligation referred to in clause 8.1 is binding: for Deposits for O/N and T/N periods for transactions in the amount of PLN 30 million,
  - 8.3.2 for Deposits for SW, 2W, 1M and 3M periods for transactions in the amount of PLN 20 million,
  - 8.3.3 for Deposits for the 6M period for transactions in the amount of PLN 10 million,
  - 8.3.4 for Deposits for 9M and 1Y periods for transactions in the amount of PLN 5 million.
- 8.4 Fixing Participants are absolved from the obligation indicated in clause 8.1 in the case of public announcement in the mass media, within the first 15 minutes after the Publication, of any information that may exert significant impact on interest rates on the domestic money market .
- 8.5 Commitment of the Fixing Participant to enter into a transaction may apply to amounts lower than those specified in clause 8.3 in cases in which the remaining free limit for the Fixing Participant is lower than the transaction amounts listed above.
- 8.6 The Fixing Participant is absolved from the obligation indicated in clause 8.1, if they have no limits for Deposits placed at another Fixing Participant. In such case, the Fixing Participant is obliged to provide the Fixing Participant, for whom they have no limits for Deposits, with only the Bid Rate.
- 8.7 Execution by Fixing Participants of the transaction referred to in clause 8.1, for amounts higher than specified in clause 8.3 is possible, if both parties consent.

- 8.8 Within the first 15 minutes following the Publication by the Administrator, each of the Fixing Participants is entitled, on the basis of the Quote of a given Fixing Participant, to demand execution of the maximum of two transactions for two different periods, chosen by them with the same Fixing Participant. The Fixing Participant who has received such demand, is obliged, subject to clauses 8.3 - 8.7, to enter into a transaction with the Fixing Participant making the demand. Execution of a transaction with one Fixing Participant making the demand does not release the Fixing Participant, receiving the demand, from the obligation to enter into transactions with other Fixing Participants in accordance with the rules specified above.
- 8.9 The Fixing Participant is obliged to inform the Administrator immediately if another Fixing Participant has refused to enter into a transaction with them under the circumstances specified in clause 8.8. After receiving such information, the Administrator addresses the Fixing Participant, requesting a justification of the refusal to enter into the transaction. Depending on the clarification obtained, the Administrator may decide to apply the Escalation Procedure.
- 8.10 Every Fixing Participant is obliged to make every effort to ensure the functioning of communication in transaction systems and/or their phone connections to enable other Fixing Participants to contact a given Fixing Participant for the purpose of entering into transactions.
- 8.11 The Fixing Participant is obliged to submit, in an electronic format, to the Administrator, by the end of the Working Day on the Fixing Date, a clarification of the causes of:
- 8.11.1 non-participation in the Fixing, or
- 8.11.2 failure to meet the obligations indicated in clauses 8.1, 8.3 and 8.8.
- 8.12 Depending on the clarifications obtained, the Administrator decides whether or not to take further steps in association with nonconformities on the part of the Fixing Participant with regard to the Quote contributed, in accordance with the Escalation Procedure.

## 9. **MINIMUM LIMITS FOR FIXING PARTICIPANTS**

- 9.1 Fixing Participants should have the following, as specified by the Administrator in Appendix 6 to the Code of Conduct - the Minimum Limit amounts, Minimum Limits for every period enabling execution of Deposit transactions, in accordance with the requirements specified in clause 8.3, for at least 2/3 of the remaining Fixing Participants.
- 9.2 The Fixing Participant is obliged to submit to the Administrator by May 31st and by November 30th of each calendar year, a filled out Limits Survey, making it possible to determine whether their limits as of May 1st and November 1st, respectively, for Deposits placed at other Fixing Participants, are at least equal to the Minimum Limits.
- 9.3 If the Fixing Participant makes the decision to liquidate or reduce the limits established for other Fixing Participants, and the result of this decision is a situation, in which the number of Fixing Participants subject to Minimum Limits established by this Fixing Participant is reduced below the number of 2/3 of all Fixing Participants, such a Fixing Participant is obliged to inform the Administrator immediately in writing of such a decision.
- 9.4 Regardless of the cyclical Limits Survey, the Fixing Participant is obliged to send a filled out Limits Survey on demand of the Administrator in order to make it possible to determine whether their limits for Deposits placed at other Fixing Participants are at least equal to the Minimum Limits specified by the Administrator. The above provision applies, in particular, in situations in which there has been a change in the composition of Fixing Participants - granting of status to new Fixing Participants, loss of status by previous Fixing Participants.

## 10. **FIXING PARTICIPANT POLICIES AND PROCEDURES**

- 10.1 The Fixing Participant is obliged to implement the Fixing Participant's Policies and Procedures, which encompass the following processes on the part of the Fixing Participant:
  - 10.1.1 setting of Quotes;
  - 10.1.2 contribution of Quotes to the Administrator,
  - 10.1.3 proceedings in the case of detection of an error in a contributed Quote,
  - 10.1.4 internal control in association with the setting and contribution of Quotes,
  - 10.1.5 The criteria for selection and designation of Quote Submitters
  - 10.1.6 training of persons involved in setting, contribution and verification of Quotes,
  - 10.1.7 ensuring the protection of confidentiality of the Quotes,
  - 10.1.8 identification and reporting of Suspicious Quotes,
  - 10.1.9 conflict of interest management,
  - 10.1.10 maintaining of registers and archiving,
  - 10.1.11 periodic reviews of implemented internal policies and procedures.
- 10.2 The Policies and Procedures of the Fixing Participant may be included in one or more separate documents.
- 10.3 The minimum scope of the Fixing Participant's Policies and Procedures is specified in the Code of Conduct.
- 10.4 The Fixing Participant is obliged to ensure the compliance of Policies and Procedures, implemented by the Fixing Participant, with the provisions of the Code of Conduct and the legal provisions, including, in particular, the Benchmarks Regulation.
- 10.5 The Fixing Participant is obliged to submit to the Administrator a written statement, confirming implementation of the required Policies and Procedures of the Fixing Participant.
- 10.6 The statement referred to in clause 10.5 constitutes Appendix 1 to the Declaration of the Fixing Participant. The Fixing Participant is obliged to submit this statement within no more than 5 Working Days after the end of each calendar year.
- 10.7 The Fixing Participant controls the day-to-day compliance of the Fixing Participant's Policies and Procedures with the requirements specified in clause 10.4, in particular, in the following situations:
  - 10.7.1 a change in the internal organization of the Fixing Participant to an extent that may influence the above requirements,
  - 10.7.2 amendments to the Code of Conduct,
  - 10.7.3 entry into force of new legal regulations or guidelines of supervisory authorities with regard to the Reference Rates.

- 10.8 If it is found, within the framework of an internal audit, that the requirements specified in clause 10.4 have not been met, the Fixing Participant is to inform the Administrator of this fact in writing immediately. Such information should include :
- 10.8.1 specification of the causes of such a situation,
  - 10.8.2 the acts that the Fixing Participant plans to undertake in order to ensure compliance with the requirements concerning the Fixing Participant's Policies and Procedures,
  - 10.8.3 the deadlines for ensuring compliance with the requirements pertaining to the Fixing Participant's Policies and Procedures.
- 10.9 Immediately after restoring compliance with these requirements, the Fixing Participant is to resubmit the declaration referred to in clause 10.5.
- 10.10 If the above statement is not received within the time period referred to in clause 10.8.3, the Administrator is to decide upon further steps regarding the irregularities on the part of the Fixing Participant, in accordance with the Escalation Procedure.

## 11. THE QUOTE SETTING PRINCIPLES

- 11.1 The Fixing Participant is obliged to set Quotes in accordance with the appropriate Quoting Policy.
- 11.2 The Quoting Policy is an internal document of the Fixing Participant, approved by the Management Board of the Fixing Participant or the member of the Management Board designated for its approval.
- 11.3 The Fixing Participant is obliged to comply with the Quoting Policy upon the setting of each Quote.
- 11.4 The Quoting Policy should specify, in particular:
- 11.4.1 the set of internal and external data that serves as the basis for the setting of Quotes,
  - 11.4.2 the set of factors taken into account by the Fixing Participant in the setting of the Quote, which may include:
    - (a) market factors :
      - (i) conditions on the markets of transactions related to the deposit and loan market (e.g. fx swap, BSB, SBB, repo, OIS),
      - (ii) expectations with regard to the shaping of interest rates and the monetary policy,
    - (b) economic factors,
    - (c) factors associated with one's own liquidity against the banking sector,
    - (d) other quantifiable factors that the Fixing Participant wants to take into consideration in the preparation of the Quote,
    - (e) assessment of own credit risk and the risk of the banking sector.
- 11.5 The data referred to in clause 11.4.1 should take into account transactions of the Fixing Participant on the deposit and loan market with Fixing Participants and with credit institutions.

- 11.6 The Fixing Participant is obliged to exercise due diligence to make sure that the data and factors specified in the Quoting Policy are available for verification from external sources or from internal sources of the Fixing Participant.
- 11.7 In the case that an expert judgement is used, the Fixing Participant should include the following information in the Quoting Policy:
  - 11.7.1 specify the rules of use of the expert judgement,
  - 11.7.2 appoint persons employed at the Quoting Function of the Fixing Participant, authorized to use the expert judgement,
  - 11.7.3 define the rules of documenting of expert judgement, provided that these rules may differ depending on the period that the Quote is being set for.

## 12. THE PROCESS OF SETTING AND VERIFICATION OF QUOTES BY THE FIXING PARTICIPANT

- 12.1 The Fixing Participant is obliged to implement a three-stage control process, associated with the process of the setting and contributions of Quotes within the framework of the Lines of Control.
- 12.2 Within the framework of the First Line of Control, situated in the Quoting Function, setting and verification of the Quote takes place prior to contribution of the Quote to the Administrator.
- 12.3 Within the framework of the First Line of Control:
  - 12.3.1 The Quote Submitter sets the Quote by filling out the Contribution Template.
  - 12.3.2 The Quote is then verified independently with regard to its content and formal structure by the Quote Approver and sent to the Administrator.
  - 12.3.3 The Contribution Template is submitted to the function of the Fixing Participant responsible for the Second Line of Control.
- 12.4 The form and technical details of the Contribution Template are subject to internal decisions of the Fixing Participant .
- 12.5 Filling out of the Contribution Template includes entry of all data, presentation of factors and the used expert judgement for the purpose of setting of the Quote .
- 12.6 The Contribution Template should, in particular, include:
  - 12.6.1 data or identifiers of the Quote Submitter and the Quote Approver,
  - 12.6.2 a list of all data and factors used to set the Quote, including a justification if this list differs from the one used on the previous day,
  - 12.6.3 justification for using expert judgement, indicating the circumstances specified in the Quoting Policy,
  - 12.6.4 specification of the exact cause in the case of a failure to submit the Quote on time,
  - 12.6.5 indication of whether the Quote was contributed in accordance with the mode specified in the Emergency Procedure.
- 12.7 A Quote contributed by the Fixing Participant to the Administrator via the Fixing System, contains identification of the Quote Submitter and the Quote Approver.

- 12.8 The Second Line of Control is located in a function of the Fixing Participant, independent of the function responsible for the First Line of Control, and it conducts a formal verification of the Quote after its contribution to the Administrator.
- 12.9 The Second Line of Control is responsible for assessment of the Contribution Template from the perspective of its compliance with the Quoting Policy.
- 12.10 The result of the control conducted by the Second Line of Control is Confirmation of Compliance of the Quote, submitted to the Administrator via the Fixing System by 16:00 of the Working Day directly following the Fixing Date. Confirmation of Compliance of the Quote is equivalent to a statement from the Fixing Participant that the Quotes were set in accordance with the Quoting Policy. Under extraordinary circumstances, the mode of contribution of the Confirmation of Compliance of the Quote and the mode of identification of the person conducting the inspection in the Second Line are defined in the Emergency Procedure.
- 12.11 If it is not possible to submit the Confirmation of Compliance of the Quote, referred to in clause 12.10, to the Administrator, the Fixing Participant informs the Administrator of this fact, indicating the causes of their inability to issue such a statement.. On demand of the Administrator, the Fixing Participant is obliged to provide an explanation with regard to the causes of the inability to submit the Confirmation of Compliance of the Quote. Depending on the clarifications obtained, the Administrator decides whether or not to take further steps in association with irregularities on the part of the Fixing Participant with regard to the Quote contributed, in accordance with the Escalation Procedure.
- 12.12 The Third Line of Control of the Fixing Participant (the internal audit function) conducts a periodic inspection of processes associated with the setting, contribution and verification of Quotes, independent of the First and the Second Lines of Control .

### 13. THE FORM OF QUOTE SUBMISSION

- 13.1 The Fixing Participant is obliged to establish a Quote Contribution Procedure, which should specify in particular:
- 13.1.1 an indication of the Quoting Function,
  - 13.1.2 a detailed specification of names of all persons involved in the process of the setting, verification and contribution of Quotes within the framework of the Quoting Function (including Submitters and Approvers of Quotes) and the scope of their authority.
  - 13.1.3 the mode, form and time of contribution of the Quote,
  - 13.1.4 a continuity plan in the case of technical problems associated with the process of setting and contribution of Quotes.
- 13.2 The Quote Contribution Procedure should be adapted to the Technical Conditions.
- 13.3 The Administrator provides the Fixing Participants with Technical Conditions including:
- 13.3.1 system requirements for the Fixing Participant, necessary for contribution of Quotes via the Fixing System,
  - 13.3.2 the mode of contribution of Quotes within the framework of the Fixing System,

- 13.3.3 the mode of confirmation of verification of the Quote within the framework of the First Line of Control and the Second Line of Control,
- 13.3.4 the Emergency Procedure, encompassing,
- (a) contribution of Quotes and information concerning their verification in the case of inability of the Fixing Participant to submit a Quote via the Fixing System,
  - (b) contribution of Quotes and information concerning their verification in the case of the occurrence of an extraordinary situation, including emergency and a crisis situations,
  - (c) the mode of informing and Publication in an emergency situation.
- 13.4 Technical Conditions are delivered to the Fixing Participants by the Administrator in good time, however, no later than one month prior to the date of their introduction.
- 13.5 The Fixing Participant may make use of data on Reference Rates from the Fixing System solely for the purpose of their activity within the framework of their enterprise, without the possibility of their further sharing.
- 14. PROCEEDINGS IN THE CASE OF DETECTION OF ERRORS IN THE QUOTE CONTRIBUTED**
- 14.1 The Fixing Participant is obliged to establish an Error Correction Procedure, which should specify in particular:
- 14.1.1 situations that are treated as an Error,
  - 14.1.2 the mode of submission of information concerning the Error detected within the framework of the organizational structure of the Fixing Participant.
- 14.2 If the Error is detected prior to contribution of the Quote to the Administrator, the Error Correction Procedure should specify the rules of making corrections so that the Administrator receives an accurate Quote.
- 14.3 If the Error is detected after the Quote has been contributed to the Administrator, but prior to publication of the Fixing, the Error Correction Procedure should ensure immediate contribution of the corrected Quote to the Administrator.
- 14.4 If the Error is detected after the Publication, the Error Correction Procedure should ensure immediate delivery of information concerning the Error to the Administrator with an indication of the type of Error and its impact on the value indicated in the Quote.
- 15. THE RULES OF INTERNAL CONTROL IN ASSOCIATION WITH THE SETTING AND SUBMISSION OF QUOTES**
- 15.1 The Fixing Participant is obliged to implement a Quote Control Procedure, specifying the rules of internal control of processes related to Quote setting and contribution, based on three Lines of Control, which should include:
- 15.1.1 the scope of duties of the First Line of Control, consistent with the rules specified in clause 12.3,

- 15.1.2 the scope of duties of the Second Line of Control, including, apart from the Quote verification obligation specified in clause 12.9:
- (a) identification and reporting within the framework of the organizational structure of the Fixing Participant of operating issues associated with the process of the setting and contribution of the Quote,
  - (b) examining of internal and external communication between employees of the Quoting Function involved in the process of the setting and contribution of the Quote with regard to compliance with the Fixing Participant's Procedures and Policies and identification of Suspicious Quotes,
  - (c) implementation and control of processes of disclosing violations of legal provisions and irregularities associated with the process of the setting and contribution of Quotes by employees of the Fixing Participants and the rules of protection of confidentiality of persons involved in such disclosures,
- 15.1.3 the scope of duties for the Third Line of Control, including:
- (a) the duty indicated in clause 12.12, concerning periodic verification of the process of the setting and contribution of Quotes,
  - (b) specification of the scope of internal audits on application of the Fixing Participant's Policies and Procedures,
  - (c) periodic verification of implemented recommendations issued by the First and Second Line of Control within the framework of the internal audits conducted,
- 15.1.4 the mode of proceeding in the case of detection of violations of legal provisions, the Code of Conduct or the Fixing Participant's Policies and Procedures by an employee of the Fixing Participant.
- 15.2 The duties specified in clause 15.1.3 (a) and (c) will be carried out at a frequency specified by the Fixing Participant.

## 16. **THE CRITERIA FOR SELECTION AND DESIGNATION OF QUOTE SUBMITTERS AND APPROVERS**

- 16.1 The Fixing Participant is obliged to specify in the Procedure for Quote Submitters and Approvers the detailed criteria to be met by a Quote Submitter and a Quote Approver, including in particular:
- 16.1.1 requirements with regard to minimum experience in setting of interest rates on the deposit market,
  - 16.1.2 minimum qualification requirements,
  - 16.1.3 the scope of trainings the Quote Submitter and the Quote Approver are required to have completed.

- 16.2 Regardless of compliance with the criteria specified in clause 16.1, the Fixing Participant should specify the criteria excluding a given person from the possibility of acting as the Quote Submitter and Quote Approver, including in particular:
- 16.2.1 violation of legal provisions related to setting of Reference Rates, in particular, the Benchmarks Regulation,
  - 16.2.2 violation of legal provisions associated with transactions on the financial market, in particular, the Banking Law, the Act on Trade in Financial Instruments, the MAR,
  - 16.2.3 a significant - in the opinion of the Fixing Participant - violation of the internal regulations of the Fixing Participant, including, in particular, the Fixing Participant's Policies and Procedures.
- 16.3 The Procedure for Quote Submitters and Approvers should specify in particular:
- 16.3.1 the decision-making process with regard to selection of Quote Submitters and Approvers,
  - 16.3.2 the function authorized to assess compliance with the criteria by Quote Submitters and Quote Approvers referred to in clause 16.1 and the exclusion criteria referred to in clause 16.2.
- 16.4 The Fixing Participant is obliged to appoint a number of Quote Submitters and Approvers sufficient to ensure that the Fixing Participant provides Quotes on each Fixing Day.
- 16.5 The Fixing Participant is obliged to provide the Administrator with the personal data of Quote Submitters and Approvers, indicating all additional information necessary for verification of the Quote Submitter and the Quote Approver, to the extent required by the Administrator.
- 16.6 The above information should be submitted to the Administrator via the Fixing System in the manner specified in the Technical Conditions.
- 16.7 Contribution of information to the Administrator by the Fixing Participant in this manner is equivalent to authorization of the Quote Submitter to submit Quotes to the Administrator within the framework of the Fixing.
- 16.8 Contribution of the information referred to in clause 16.5 and authorization of the Quote Submitter may also take place in the form of a written statement, signed by persons authorized to make declarations of will in the name of the Fixing Participant.

## 17. **TRAINING OF PERSONS INVOLVED IN the SETTING, SUBMISSION AND VERIFICATION OF QUOTES**

- 17.1 The Fixing Participant is obliged to implement a Training Policy, specifying the rules of conducting trainings for all employees of the Fixing Participant who are Quote Submitters and Quote Approvers.

- 17.2 The trainings should at least encompass knowledge on:
  - 17.2.1 provisions of the Benchmarks Regulation
  - 17.2.2 other legal provisions with regard to the Reference Rates,
  - 17.2.3 the Code of Conduct,
  - 17.2.4 The Fixing Participant's Policies and Procedures
- 17.3 The form of trainings, their frequency and the rules of their documentation are specified by the Fixing Participant.
- 17.4 Knowledge required of every person involved in the process of the setting, contribution and verification of Quotes should be verified by the Fixing Participant at least once a year.

## 18. **THE PRINCIPLES OF ENSURING PROTECTION OF QUOTE CONFIDENTIALITY**

- 18.1 The Fixing Participant is obliged to make sure that the Quotes are contributed to the Administrator within the framework of the Confidentiality Protection Procedure, which warrants appropriate protection of Confidential Information.
- 18.2 The Confidentiality Protection Procedure should contain in particular:
  - 18.2.1 a list of persons who possess access to Confidential Information,
  - 18.2.2 the rules of disclosure of Confidential Information (including communication channels, rules for confirming information delivery),
  - 18.2.3 the required technical measures and organizational solutions necessary, taking into account the entire scope of regulations contained in the Fixing Participant's Policies and Procedures, to prevent acquisition and use of Confidential Information by unauthorized persons,
  - 18.2.4 a prohibition of use by persons who possess access to Confidential Information of communication facilities, if communication through their agency is not recorded or cannot be controlled by the Fixing participant, provided that this prohibition should encompass appropriate periods, taking into account the nature of Confidential Information when applicable,
  - 18.2.5 a prohibition of collaborating on Quotes by Fixing Participants with other Fixing Participants in any form.

## 19. **IDENTIFICATION AND REPORTING OF SUSPICIOUS QUOTES**

- 19.1 The Fixing Participant is obliged to implement a Procedure for the Identification of Suspicious Quotes.
- 19.2 The Procedure for the Identification of Suspicious Quotes should specify in particular:
- 19.2.1 the characteristics of a Suspicious Quote,
  - 19.2.2 the mode of identification of Suspicious Quotes
  - 19.2.3 the mode of verification by the Fixing Participant of information on identification of a Suspicious Quote,
  - 19.2.4 the mode of action in the case of identification of a verified Suspicious Quote, including the mode of submission of information concerning such Suspicious Quotes to the appropriate state authorities in accordance with the legal provisions in force.
- 19.3 Subject to the legal provisions in force, the Fixing Participant is obliged to inform the Administrator immediately of detection of any Suspicious Quote they verify.

## 20. **THE PRINCIPLES OF CONFLICT OF INTEREST MANAGEMENT**

- 20.1 The Fixing Participant should have a Conflicts of Interest Management Policy implemented, with regard to conflicts of interest associated with participation in the Fixing, which, among other things, should specify:
- 20.1.1 the scope and mode of identification and registration of categories of financial instruments and agreements, concluded or issued by the Fixing Participant, where Reference Rates are used, which, taking into account, among other things, the organizational solutions implemented by the Fixing Participant, may generate real conflicts of interest that the Fixing Participant has in association with participation in the Fixing,
  - 20.1.2 specification of measures undertaken by the Fixing Participant for the purpose of effective management of an existing conflict of interest, in particular, consisting of:
    - (a) handling of a conflict of interest that may arise in the case of execution of transactions by Quote Submitters and Approvers on behalf of the Fixing Participant with regard to financial instruments and agreements other than Deposits, in which Reference Rates are used, including introduction of a prohibition of execution of such transactions by Quote Submitters and Approvers in the name of the Fixing Participant, other than deposit transactions or hedging transactions against both market and liquidity risks,
    - (b) handling of the conflict of interest, which may arise in the case of execution of transactions in the name of the Fixing Participant by other persons having access to Confidential Information, with regard to financial instruments and agreements, in which Reference Rates are used,
    - (c) ensuring the independence of Quote Submitters and Approvers in the process of the setting of Quotes from orders of other persons, apart from situations indicated clearly in the Fixing Participant's Policies and Procedures,

- (d) introduction of remuneration system for Quote Submitters and Approvers to make sure that the remuneration level is:
  - (i) not related directly to the level of Reference Rates and the Quotes,
  - (ii) not related to the activity of the Fixing Participant to the extent, in which this could lead to a conflict of interest on the part of the Quote Submitter and the Quote Approver.
- 20.2 The Fixing Participant is obliged to inform the Administrator, in the form of a written statement, of existing and potential conflicts of interest, concerning employees of the Quoting Function involved in the process of Quote setting and contribution.
- 20.3 The statement referred to in clause 20.2 constitutes Appendix 2 to the Declaration of the Fixing Participant. The Fixing Participant is obliged to submit this statement within no more than 5 Working Days after the end of each calendar year and immediately in the case of a conflict of interest or a justified suspicion of such a conflict.

## 21. THE FIXING PARTICIPANT'S ORGANIZATIONAL REQUIREMENTS

- 21.1 Subject to the provisions of clause 21.2, the Fixing Participant is obliged to:
  - 21.1.1 ensure the physical presence of a representative of the Second Line of Control at the Quoting Function, if transactions are executed within the framework of the Quoting Function in the name of the Fixing Participant,
  - 21.1.2 clearly separate the duties of Quote Submitters and Approvers from the duties of other employees of the Fixing Participant involved in the execution of transactions other than deposit transactions or hedging transactions against both the market risk and liquidity risk,
  - 21.1.3 physical separation of Quote Submitters and Approvers from other employees of the Fixing Participant involved in the execution of transactions other than deposit transactions or hedging transactions against both the market risk and liquidity risk.
- 21.2 Upon receiving a written request from the Fixing Participant, the Administrator may release them from one or more obligations indicated in clause 21.1. The Administrator's decision is made taking into account the following circumstances:
  - 21.2.1 the scale, profile and complexity of activity of the Fixing Participant,
  - 21.2.2 the conflict of interest, indicated by the Fixing Participant, which may emerge in association with the contribution of Quotes with regard to other activity of the Fixing Participant,
  - 21.2.3 the rules of expert judgement use by the Fixing Participant in the setting of Quotes.
- 21.3 The Administrator's decision is made within one month from receipt of the request from the Fixing Participant and upon assessment by the Oversight Committee. The decision is delivered to the Fixing Participant in writing.

- 21.4 The decision referred to in clause 21.3 may introduce specific prerequisites, which the Administrator imposes upon the Fixing Participant for the purpose of departure from one or more of the requirements, referred to in clause 21.1. Fulfillment of the above prerequisites should be confirmed by the Fixing Participant in the form of a written statement, addressed to the Administrator, within 30 days from receipt of the decision by the Fixing participant.
- 21.5 If the above statement is not received within the time period referred to in clause 21.4, the Administrator is to decide upon further steps associated with irregularities on the part of the Fixing Participant, in accordance with the Escalation Procedure.

## 22. THE PRINCIPLES OF KEEPING RECORDS AND ARCHIVING

- 22.1 The Fixing Participant is obliged to introduce a Records and Archiving Procedure, specifying the principles of data registration, communication, documents associated with the process of setting, contribution and verification of Quotes, as well as the archiving of the above provisions
- 22.2 The Records and Archiving Procedure should contain a list of data, communications and documents subject to recording in association with the process of setting, contribution and verification of quotes, including in particular;
- (a) the Contribution Template,
  - (b) personal data of persons who prepared the Contribution Template and verified the Quotes contributed,
  - (c) the set of data and factors serving as a basis for the setting of the Quote,
  - (d) justification of the expert judgement used to set the Quote,
  - (e) external and internal communications of the Quote Submitters,
  - (f) external and internal communications of persons having access to Confidential Information within the framework of the Quoting Function,
  - (g) a document confirming verification of the Contribution Template, serving as a basis for the preparation of the Quote Confirmation,
  - (h) internal inspection protocols,
  - (i) protocols of procedures associated with identification of Suspicious transactions,
  - (j) protocols of internal audits conducted,
  - (k) communications with the Administrator,
  - (l) communications with supervisory authorities,
  - (m) complaints from clients concerning the Reference Rates.
- 22.3 The data referred to in clause 22.2 should be archived by the Fixing Participant for a period of at least 5 years from the data registration date.

**23. THE PRINCIPLES OF PERIODIC REVIEWS OF THE FIXING PARTICIPANT'S POLICIES AND IMPLEMENTED PROCEDURES**

23.1 The Fixing Participant is obliged to conduct a review of the Fixing Participant's Policies and Procedures:

23.1.1 at least once a year,

23.1.2 in the case of amendment of legal provisions concerning Reference Rates,

23.1.3 in the case of amendment of the Code of Conduct.

23.2 The review is performed with regard to compliance of the Policies and Procedures with the current legal circumstances and effectiveness of processes associated with the process of setting, contribution and verification of Quotes.

**24. AN AUDIT OF THE FIXING PARTICIPANT'S POLICIES AND PROCEDURES**

24.1 The Fixing Participant is obliged, within 6 months from the date of entry into force of the Code of Conduct, and then every 2 years, to undergo an audit performed by an independent third party appropriately qualified to ensure the reliability and high substantive quality of the audit being performed.

24.2 The audit includes:

24.2.1 verification of compliance of the Fixing Participant with requirements specified in the Code of Conduct, the Benchmarks Regulation and other legal provisions, regulating the obligations of the Fixing Participant, associated with their Quote.

24.2.2 application of requirements based on the Fixing Participant's Policies and Procedures.

24.3 The Fixing Participant provides the Administrator with a report on the conducted audit within one month from its delivery to the Fixing Participant by the auditing entity.

24.4 If the report states any irregularities on the part of the Fixing Participant, the Fixing Participant provides the Administrator, along with the report, with a plan for the implementation of appropriate steps to eliminate such irregularities and prevent their occurrence in the future. The Fixing Participant informs the Administrator of the execution of the presented plan. If the above statement is not received within a satisfactory scope, the Administrator is to decide upon further steps associated with irregularities on the part of the Fixing Participant, in accordance with the Escalation Procedure.

24.5 The Oversight Committee may order an extraordinary audit of the Fixing Participant, conducted by an independent third party, in the case of:

24.5.1 identification by the Oversight Committee of significant violations in performance by the Fixing Participant of their duties with regard to the Code of Conduct,

24.5.2 identification by the Oversight Committee of several failures of the Fixing Participant to abide by the sanctions imposed upon them by the Administrator, referred to in clause 26. Under the circumstances of an extraordinary audit, the provisions of clauses 24.2-24.4 apply accordingly.

- 24.6 The Fixing Participant is obliged to conduct an extraordinary audit, referred to in clause 24.5, at their own expense.
- 24.7 The Fixing Participant verifies implementation of the recommendations issued on the basis of the external audits conducted.

## 25. **THE ESCALATION PROCEDURE**

- 25.1 In the case of violation of the Code of Conduct by the Fixing Participant, the Administrator is authorized to conduct the Escalation Procedure in relation to the Fixing Participant in accordance with the rules specified below.
- 25.2 After finding that the Fixing Participant has violated the provisions of the Code of Conduct, the Administrator addresses the Fixing Participant in writing, demanding a clarification with regard to the violation found. This letter of the Administrator is addressed to the Representative.
- 25.3 The Fixing Participant is obliged, at the latest on the following Working Day after receipt of the letter from the Administrator, to inform the Administrator of the time period within which the Administrator is to receive their clarifications, provided that this time period cannot be longer than 5 Working Days. In justified cases, the Administrator may prolong this time period on request of the Fixing Participant.
- 25.4 After receiving the clarifications from the Fixing Participant, the Administrator informs the Oversight Committee of the confirmed violation of the Code of Conduct. Attached to the information are the clarifications of the Fixing Participant, referred to in clause 25.3. On the basis of information received from the Administrator and clarifications provided by the Fixing Participant, the Oversight Committee issues a recommendation with regard to further actions of the Administrator in association with violation of the Code of Conduct by the Fixing Participant.
- 25.5 On the basis of the recommendation of the Oversight Committee, the Administrator decides upon further action towards the Fixing Participant, in particular, consisting of:
- 25.5.1 dismissal of the case, if the violation of the Code of Conduct was sporadic or insignificant,
  - 25.5.2 transmission of information concerning the violation of the Code of Conduct by the Fixing Participant to the Competent Authority,
  - 25.5.3 imposing upon the Fixing Participant sanctions referred to in clause 26.

## 26. **SANCTIONS APPLICABLE TO FIXING PARTICIPANTS**

- 26.1 Due to a violation of the Code of Conduct, the Administrator may impose the following sanctions upon the Fixing Participant:
- 26.1.1 a warning,
  - 26.1.2 suspension of participation in Fixing,
  - 26.1.3 exclusion from participation in Fixing.
- 26.2 A warning is sent in the form of a letter of the Administrator, addressed to the Management Board of the Fixing Participant. The Fixing Participant is obliged to send a written reply to the warning received within 10 Working Days, indicating the steps taken to prevent violations of the Code of Conduct in the future.

- 26.3 Suspension of participation in the Fixing takes place for a period of time specified by the Administrator, no longer than 3 months. The suspension takes place on the basis of a written decision of the Administrator, effective as of the date specified in the decision, however, not earlier than on the following Working Day from its receipt by the Fixing Participant, until the date specified in the decision, which is the end date of the suspension. Prior to the end date of the suspension, the Fixing Participant is obliged to send to the Administrator a written statement, in which they confirm attaining full compliance with the Code of Conduct. The information on suspension in Fixing is delivered to other Fixing Participants.
- 26.4 Exclusion from Fixing results in loss of Fixing Participant status. The basis for exclusion is a written decision of the Administrator, effective on the date indicated in the decision, however, not earlier than on the following Working Day after the date of receipt of the decision by the Fixing Participant. Information on exclusion from Fixing is delivered to other Fixing Participants.
- 26.5 The type of sanction imposed should be proportional both to the significance of the violation and the frequency of violations of the Code of Conduct by the Fixing Participant.
- 26.6 The decision to impose sanctions upon the Fixing Participant should be preceded by the Escalation Procedure.
- 26.7 The Administrator informs the Fixing Participant and the Competent Authority and the NBP in writing each time sanctions are imposed.

## 27. **THE FIXING PARTICIPANT'S OBLIGATION TO DELIVER DATA**

- 27.1 The Fixing Participant is obliged to provide the Administrator with an appropriate collection of transaction data, including rates, transaction values and quotes to the extent necessary for the purpose of verification of the method of setting Reference Rates and performance by the Administrator of the obligations associated with setting Reference Rates.
- 27.2 The mode of fulfillment of the obligation of the Fixing Participant, referred to in clause 27.1, is specified by the Administrator in the Data Delivery Procedure, constituting Appendix 7 to the Code of Conduct.
- 27.3 The Data Delivery Procedure specifies the following components:
- 27.3.1 the scope of information and data necessary,
  - 27.3.2 justification of the necessity to obtain data,
  - 27.3.3 the mode of delivery of information and data,
  - 27.3.4 the mode of securing of data by the Administrator,
  - 27.3.5 the legal mechanisms applied, which allow for contribution of data and information by the Fixing Participant without violating the legal provisions in force,
  - 27.3.6 the mode of amendment of the Data Delivery Procedure.

## 28. **THE MODE OF AMENDMENT OF THE CODE OF CONDUCT**

- 28.1 Any amendments to the Code of Conduct are to be implemented by the Administrator.
- 28.2 The Administrator is obliged to engage in consultations with the Fixing Participants before making the decision to amend the Code of Conduct.
- 28.3 After obtaining a positive opinion of the Oversight Committee, the Administrator makes the decision to amend the Code of Conduct.
- 28.4 The amended Code of Conduct is presented by the Administrator to the Fixing Participants for acceptance no later than on the 7th day from the date of the decision to amend the Code of Conduct.
- 28.5 Amendments to the Code of Conduct come into force on the date specified in the notification, sent to each Fixing Participant, however, not earlier than 60 days after the Date of Decision to amend the Code of Conduct.
- 28.6 In the case of non-acceptance of an amendment of the Code of Conduct, each of the Fixing Participants, no later than 30 days after the date of delivery of the amended Code of Conduct, is obliged to send a statement of refusal to accept the amendments to the Administrator. In the case of a failure to send the statement of non-acceptance of amendments within the deadline specified, it is assumed that amendments have been accepted by the Fixing Participant as proposed by the Administrator.
- 28.7 If, within the deadline specified in clause 28.6, the Administrator receives a statement of non-acceptance of amendments from the Fixing Participant, this will be equivalent to withdrawal by the Fixing Participant of their declaration of participation in the Fixing and compliance with the Code of Conduct, as well as loss of Fixing Participant status as of the date of entry into force of the amendments to the Code of Conduct.

## 29. **LOSS OF STATUS OF A FIXING PARTICIPANT**

- 29.1 Loss of status of a Fixing Participant may take place in the following cases:
- 29.1.1 on the basis of a decision of the Administrator, referred to in clauses 2.6 and 26.4,
  - 29.1.2 as a result of refusal to accept amendments to the Code of Conduct in accordance with the provisions of clause 28.7,
  - 29.1.3 in association with resignation from Participation in the Fixing or on the basis of events of another kind, specified in the appropriate legal provisions (e.g. merger of Fixing Participants).
- 29.2 A Fixing Participant may submit a withdrawal from participation in Fixing to the Administrator in the form of a written statement submitted to the Administrator no later than at least 30 days prior to the resignation date, specified by the Fixing Participant. The Administrator informs the Oversight Committee, other Fixing Participants, the Competent Authority and the NBP of the statement received.
- 29.3 The Administrator is obliged to inform other Fixing Participants, the Competent Authority and the NBP of the loss of Fixing Participant status, and the same information is to be published on the Administrator's Web page: <https://gpwbenchmark.pl/>.

### 30. **FIXING SUSPENSION**

- 30.1 If the number of Fixing Participants drops below 6, the Administrator suspends setting of Reference Rates in accordance with the principles specified in the Regulations for WIBID and WIBOR Reference Rates, which means that no Fixing is conducted during the Fixing Suspension Period.
- 30.2 The Administrator informs the Fixing Participants of the suspension in writing. In the same way, the Administrator delivers information on cessation of causes of the suspension and of the date on which Fixing is to resume.
- 30.3 According to the WIBID and WIBOR Reference Rate Regulations, in the Fixing Suspension Period, it is possible to introduce a Temporary Change of Method, which is aimed at ensuring the continuity of setting Reference Rates.
- 30.4 Introduction of a Temporary Change of Method does not require any amendments to the Code of Conduct. The Administrator informs the Fixing Participants of the introduction of a Temporary Method Change in writing.
- 30.5 A Temporary Change of Method must not last longer than 6 months.

### 31. **FINAL AND TRANSITIONAL PROVISIONS**

- 31.1 The Code of Conduct is to come into force on February 1st, 2018.
- 31.2 Subject to clause 31.3, the Fixing Participants are obliged to abide by the Code of Conduct from the date of its entry into force.
- 31.3 With regard to clause 21.1, the Fixing Participant is obliged to perform their duties within 3 months from the date of entry into force of the Code of Conduct, unless before the expiry of this period, the Fixing Participant obtains a decision from the Administrator, referred to in clause 21.3, which releases the Fixing Participant from performance of one or more duties specified in clause 21.1.
- 31.4 Entities with Fixing Participant status on the day preceding the date of entry into force of the Code of Conduct are to retain this status under the condition of submitting the Fixing Participant's Declaration to the Administrator 30 days prior to the Code of Conduct coming into force.
- 31.5 The entities referred to in clause 31.4 are obliged to submit the statement referred to in clause 10.5, constituting Appendix 1 to the Fixing Participant's Declaration, within 5 days from entry into force of the Code of Conduct, such a statement being effective as of the date of entry into force of the Code of Conduct, referred to in clause 31.1.
- 31.6 Contribution by the Fixing Participant of a Fixing Participant's Declaration in accordance with the provisions of clause 31.4 is equivalent to giving consent for suspension of the previous Fixing Regulations for WIBID and WIBOR reference rates, in force starting from June 30th, 2017.

## APPENDICES TO THE CODE OF CONDUCT

### Appendix 1 to the Code of Conduct - invitation to participate in the Fixing

.....

*(place, date)*

**Management Board of the Company**

**GPW Benchmark SA**

**ul. Książęca 4**

**00-498 Warsaw**

.....

*(institution data)*

## INVITATION

.....

*(name of domestic bank/ bank associating cooperative banks/ branch of foreign bank/ branch of credit institution)*

In the name of GPW Benchmark S.A. („**the Administrator**”), we invite you to participate in the Fixing, as of **[•]**. We would like to request a filled out copy of the Fixing Participant Declaration (attached as Appendix 2 to the Code of Conduct) and a filled-out Limits Survey, attached to this invitation (serving as appendix 3 to the Code of Conduct).

.....

*signatures*

*Attn.: Oversight Committee*

*Appendices:*

- 1) The Fixing Participant’s Declaration,*
- 2) The Limits Survey*
- 3) The Code of Conduct*

## Appendix 2 to the Code of Conduct – The Fixing Participant’s Declaration

.....

(place, date)

**GPW Benchmark SA**

**ul. Książęca 4**

**00-498 Warsaw**

### **FIXING PARTICIPANT’S DECLARATION**

.....

*(name of domestic bank/ bank associating cooperative banks/ branch of foreign bank/ branch of credit institution)*

I hereby undertake to participate in the Fixing of WIBID and WIBOR Reference Rates, as defined in the Code of Conduct valid since [●] and I undertake to follow the Code of Conduct, referred to above.

I hereby authorize the Fixing Participants to provide the Administrator, according to the mode and principles specified in the Code of Conduct, with information making it possible to determine whether their limits for Deposits placed at our institution are at least equal to the Minimum Limits specified by the Administrator.

I hereby declare that the institution represented by me has not been subject to appointment of a forced administrator or to implementation of a repair plan, as defined in the Banking Law, and has not been subject to a decision of the Banking Guarantee Fund to initiate forced restructuring or writing down or conversion of equity instruments.

I hereby authorize the Fixing Participants to contribute to the Administrator, according to the mode and principles specified in the Code of Conduct, information concerning the conditions of transactions entered into with us, as well as quotes applicable to the transactions.

At the same time, I declare that the institution represented by us, in the process of setting limits for deposit transactions granted to other Fixing Participants, takes into account the BION score, awarded by UKNF (provided that UKNF has disclosed the BION audit score of other Fixing Participants to all Fixing Participants, removing the associated confidentiality clause).

.....

.....

*(signatures according to representation and company seal)*

**Attn.:** *Chairman of the Competent Authority, President of the NBP*

*Appendices:*

- 1) Statement of implementation of the Fixing Participant's Policies and Procedures*
- 2) Statement of the existing and potential conflicts of interest, concerning employees of the Quoting Function, involved in the process of Quote setting and contribution.*
- 3) Fixing Participant's Information Sheet*

**Appendix 1 to the Fixing Participant's Declaration - Statement of implementation of the Fixing Participant's Policies and Procedures**

.....

(place, date)

**GPW Benchmark SA**

**ul. Książęca 4**

**00-498 Warsaw**

**STATEMENT**

.....

*(name of domestic bank/ bank associating cooperative banks/ branch of foreign bank/ branch of credit institution)*

I hereby declare that the institution represented by me/ us has implemented the Fixing Participant's Policies and Procedures required by the Code of Conduct, as defined in the Code of Conduct.

.....

.....

*(signatures according to representation and company seal)*

**Appendix 2 to the Fixing Participant’s Declaration - Statement of existing and potential conflicts of interest, concerning employees of the Quoting Function, involved in the process of Quote setting and submission.**

.....  
(place, date)

**GPW Benchmark SA**  
**ul. Książęca 4**  
**00-498 Warsaw**

**STATEMENT OF EXISTING AND POTENTIAL CONFLICTS OF INTEREST, CONCERNING EMPLOYEES OF THE QUOTING FUNCTION, INVOLVED IN THE PROCESS OF QUOTE SETTING AND SUBMISSION.**

.....  
*(name of domestic bank/ bank associating cooperative banks/ branch of foreign bank/ branch of credit institution)*

I hereby state that in relation to employees or other persons at the Quoting Function, involved in the process of the setting and contribution of Quotes, there are no existing or potential conflicts of interest/ we have identified the following existing or potential conflicts of interest\*:

- 1) .....
- 2) .....

.....  
.....

*(signatures according to representation and company seal)*

\* delete as appropriate



**Appendix 3 to the Code of Conduct - Limits Survey**

.....  
(place, date)

**GPW Benchmark SA**

**ul. Książęca 4**

**00-498 Warsaw**

\_\_\_\_\_  
(name of domestic bank/ bank associating cooperative banks/ branch of foreign bank/ branch of credit institution)

Limit status as of \_\_\_\_\_

No.	in alphabetical	O/N	T/N	SW	2W	1M	3M	6M	9M	1Y
1	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
2	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
3	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
4	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
5	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
6	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
7	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
8	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
9	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
10	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
11	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
12	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
13	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no
(..)	Fixing Participant	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no*	yes/no

\* delete as appropriate

The survey is to be filled out in a manner that allows for specifying clearly whether the institution has Minimum Limits at a given maturity date for a given Fixing Participant, assuming no involvement in any deposit transactions.

.....  
(first name, surname, position and a legible signature)

.....  
(company seal)

Attn.: Chairman of the Competent Authority

**Appendix 4 to the Code of Conduct - Administrator's Information Sheet**

.....  
(place, date)

.....  
(entity name)

.....  
(address)

.....  
(address)

**Administrator's Information Sheet**

1) Data of person representing the Administrator

<b>First name</b>	
<b>Surname</b>	
<b>E-mail address</b>	
<b>Phone number</b>	
<b>Address for service</b>	

2) Data of other persons authorized for communication in the name of the Administrator

<b>First name</b>		
<b>Surname</b>		
<b>E-mail address</b>		
<b>Phone number</b>		

## Appendix 5 to the Code of Conduct - Fixing Participant's Information Sheet

.....

(place, date)

**GPW Benchmark SA**

**ul. Książęca 4**

**00-498 Warsaw**

### Fixing Participant's Information Sheet

- 1) Data of person representing the Fixing Participant

<b>First name</b>	
<b>Surname</b>	
<b>E-mail address</b>	
<b>Phone number</b>	
<b>Address for service</b>	

- 2) Data of other persons authorized for communication in the name of the Fixing Participant

<b>First name</b>		
<b>Surname</b>		
<b>E-mail address</b>		
<b>Phone number</b>		

## **Appendix 6 to the Code of Conduct - Minimum Limit amounts**

1. The Minimum Limit amount, specified by every Fixing Participant for deposits placed at another Fixing Participant for individual periods is:
  - (a) for Deposits for the periods of O/N and T/N: PLN 60 million,
  - (b) for Deposits for the periods of SW, 2W, 1M and 3M - PLN 60 million,
  - (c) for Deposits for a period of 6M - PLN 30 million,
  - (d) for Deposits for the periods of 9M and 1Y - PLN 5 million,
2. The Fixing Participant meets the requirements for holding of Minimum Limits on other Fixing Participants in a situation, in which they have credit limits for the remaining 2/3 of all Fixing Participants.