

## DISCLOSURE OF RELEVANT INFORMATION REGARDING THE POLICY FOR MANAGING CONFLICTS OF INTEREST AT BANK HANDLOWY W WARSZAWIE S.A. BASED ON THE RECOMMENDATION OF THE POLISH FINANCIAL SUPERVISION AUTHORITY

### I. GENERAL INFORMATION.

Principles of managing conflicts of interest at Bank Handlowy w Warszawie S.A. (hereinafter the "**Bank**") are specified in the Policy for managing conflicts of interest at Bank Handlowy w Warszawie S.A. (hereinafter the "**Policy**"). The policy was developed, approved and implemented by the Bank's Management Board, it was also approved by the Bank's Supervisory Board

The Policy regulates the general principles of prevention, identification, assessment, management and reporting of cases of a potential or actual conflict of interest and applies to all cases that give rise to a conflict of interest in operations of the Bank or Employees of the Bank, which results in a conflict with the Bank's duty to act in a reliable and transparent manner in each of its roles.

The Bank takes into account the fact that a conflict of interest may have many layers, in particular it may concern relations between interests of:

- 1) the Bank and the Client/Clients
- 2) the Bank or the Bank's shareholders
- 3) the Bank and members of the Bank's bodies
- 4) the Bank and the Employee
- 5) the Bank and the Vendor
- 6) the Bank and other related entities, including but not limited to, subsidiaries
- 7) the Bank's Client/Clients and the Employee
- 8) the Bank's Clients
- 9) the Bank, as a participant in quotations of benchmarks and users of these benchmarks in the scope of Clients' transactions and the Bank's own transactions

Moreover, the Bank also distinguishes between conflicts of interest that:

- 10) that may arise from activities carried out by the Employees outside working hours
- 11) that may arise from employee relations may concern in particular
- 12) related to the organizational structure.

The above catalog is open, and conflicts of interest may also arise in any other situation where, due to the circumstances, there is concern about acting in the best interest of the Bank in all its roles. In every such situation, it is required to proceed in accordance with the provisions of the Policy in force at the Bank, in particular with regard to its identification and notification.

### II. MATERIAL CONFLICT OF INTEREST.

The Bank has distinguished the category of material conflicts of interest as one the possible kinds of conflict of interest. Material conflict of interest is understood as **a conflict of interest significant from the point of view of the Bank's operation, which has an impact or is likely to have an impact on key issues related to the management of the Bank as a whole or individual areas of the Bank's operations.** Material conflict of interest is understood, in particular, as **any conflict of interest identified by the Bank arising in connection with the Bank's membership in the group or transactions concluded by the Bank with other entities in the group.**

### **III. MANAGEMENT OF MATERIAL CONFLICTS OF INTEREST BY THE BANK AND CONFLICTS THAT COULD ARISE FROM THE BANK'S MEMBERSHIP TO THE GROUP OR TRANSACTIONS CONCLUDED BY THE BANK WITH OTHER ENTITIES IN THE GROUP.**

In given organizational units of the Bank, detailed guidelines are developed regarding the handling, prevention, identification, assessment and management of conflicts of interest, in particular on the basis of separate regulations or market standards, regulated in separate normative acts or guidelines of the regulator.

Each of the Bank's employees has a duty to assess, to the best of his or her knowledge, whether the circumstances in which he finds himself or she finds herself do not give rise to a conflict of interest. As part of the identification of a conflict of interest, a conflict of interest resulting not only from the employee's current but also past personal or professional relationships is examined when it emerges. This applies in particular to the Persons closely related/other persons related to the Employee.

The Bank, as a member/shareholder of commercial law companies or partnerships, manages conflicts of interest also at an institutional level, which has been adequately regulated in the internal standard-setting documents of the Bank. Conflicts of interest at an institutional level may arise, for example, in relation to different activities and roles of the Bank or different institutions subject to prudential consolidation or different business lines or entities within the Bank, or may relate to external stakeholders. The Bank, acting as the parent entity, takes into consideration the interests of subsidiaries and the way in which the interests of subsidiaries contribute to the achievement of common objectives and interests of the group as a whole in a long-term perspective.

The Bank is part of a group, understood as affiliates belonging directly or indirectly to Citigroup Inc (hereinafter the "**Group**"). Transactions within the group are carried out taking into account the applicable regulations, and the method of documenting the transaction is specified in the internal procedure entitled *Documenting transactions concluded with related entities*.