

PROCEDURE

Verification of compliance of issuers of transferrable securities with obligations for issuers under Union law

MIFID II / RTS 17

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1. Purpose and scope of the procedure

1.1. The purpose of this procedure is to ensure compliance with the provisions of Article 7 of Commission Delegated Regulation (EU) 2017/568 of 24 May 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the admission of financial instruments to trading on regulated markets ("Regulation (EU) 2017/568"), which require the Exchange:

- a) to ensure that issuers are informed of the obligations for issuers under Union law, referred to in recital 7 of Regulation (EU) 2017/568,
- b) to verify compliance of issuers with obligations for issuers under Union law,
- c) to ensure that compliance with the obligations is checked effectively by the Exchange in accordance with the nature of the obligation under review taking into account the supervisory tasks performed by relevant competent authorities.

1.2. The obligations of issuers referred to in Regulation (EU) 2017/568 derive without limitation from the following legislation of the European Union and national implementing legislation:

- a) Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended ("Directive 2003/71/EC" or "Prospectus Directive") and Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC ("Regulation (EU) 2017/1129" or "Prospectus Regulation");
- b) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) 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, as amended ("Regulation (EU) No 596/2014" or "MAR");
- c) Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC, as amended, including amendments under Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013 ("Transparency Directive");
- d) Act of 29 July 2005 on Public Offering and Conditions of Introducing Financial Instruments to an Organised Trading System, and on Public Companies, as amended ("Offering Act");
- e) Regulation of the Minister of Finance of 19 February 2008 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent, as amended ("Current and Periodic Information Regulation");
- f) Exchange Rules to the extent of the obligations of issuers whose securities are admitted to trading on the parallel market operated by GPW;

hereinafter jointly "Union law".

1.3. This procedure lays down the Exchange's processes of verifying compliance of Issuers with obligations under Union law and of the most effective methods for Issuers to demonstrate compliance with the obligations provided that such actions of GPW are not in breach of and do not substitute any actions and powers of PFSA or other competent supervisory authorities under the applicable legislation.

- 1.4. According to Article 7(1) of Regulation (EU) 2017/568, the content of this procedure is published on the website www.gpw.pl

2. Definitions and abbreviations

GPW/ Exchange	Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange)
PFSA	Komisja Nadzoru Finansowego (Polish Financial Supervision Authority)
Issuer	issuer whose securities are admitted to trading on the regulated market operated by GPW or whose securities are seeking admission to trading on such market
ESPI, ESPI system	Electronic Information Transmission System administered by PFSA, referred to in the Regulation of the Minister of Economic Development and Finance of 27 December 2016 on the technical means and conditions for the transmission of certain information by entities supervised by the Polish Financial Supervision Authority

3. Actions taken by the Exchange to ensure that Issuers are informed about the obligations for issuers under Union law

- 3.1. The Exchange requires Issuers seeking admission/introduction to submit, together with the relevant application, a declaration to the effect that they are informed of the obligations for issuers under Union law, including without limitation the obligations referred to in 1.2 above.
- 3.2. The Exchange requires investment firms which prepare the investment firm opinion referred to in § 3(2) of Division 1 of the Detailed Exchange Trading Rules in UTP System to submit a declaration to the effect that the Issuer's supervisory and management bodies are informed of the obligations applicable to the Issuer on the regulated market under Union law and the assurance that the Issuer shall comply with such obligations.
- 3.3. The Exchange publishes the legislation imposing the obligations on Issuers under Union law referred to in 1.2 above on the website www.gpw.pl.
- 3.4. The Exchange acting on request of the Issuer provides information on the legislation imposing the obligations on Issuers under Union law referred to in 1.2 above.

4. Verification and checks of compliance of Issuers with obligations under the Prospectus Directive and the Prospectus Regulation

- 4.1. In the process of admitting securities to trading on the regulated market, the Exchange verifies in particular the following:
- a) whether the relevant information document, approved by the competent supervisory authority or confirmed as equivalent by such authority, has been prepared;
 - b) whether the Issuer has submitted the relevant declaration if the information document does not need to be published, made available, approved or confirmed as equivalent, and whether the submitted declaration corresponds to the factual and legal situation;

- c) whether the Issuer's application for admission/introduction specifies the website on which the relevant information document (prospectus or memorandum), prepared in connection with the admission of the financial instruments referred to in the application to trading on the regulated market, has been published;
- d) whether the information document has been published on the website specified in the Issuer's application and linked from the Exchange's website www.gpw.pl.

5. Verification of compliance of Issuers with obligations under MAR and the Transparency Directive to the extent of disclosure of inside information, current and periodic reports

- 5.1. The Exchange requires Issuers to submit, together with the application for admission/introduction, a declaration to the effect that the Issuer has requested PFSA to grant access to ESPI in order to verify whether the Issuer has obtained access to technical means necessary to transmit inside information, current and periodic reports.
- 5.2. The Exchange has in place technical means necessary to receive information in the form of current and periodic reports provided by Issuers via the ESPI system.
- 5.3. The Exchange performs a preliminary verification of inside information, current and periodic reports provided by Issuers via the ESPI system.
- 5.4. The verification identifies those reports which may affect the organisation and method of performance of actions related to trading on the exchange including in particular the following:
 - a) reports which may be relevant to the admission, introduction, suspension or delisting of securities in trading on the regulated market,
 - b) reports which may be particularly relevant to supervision of the course and order of trading sessions on the exchange,
 - c) reports which may affect the organisation and method of performance of actions related to trading on the exchange, including actions related to trading in shares with subscription rights, dividend rights, a merger, split or transformation of the Issuer, or a change of the par value of the Issuer's financial instruments,
 - d) reports which contain information about pending restructuring, bankruptcy and liquidation proceedings, on the basis of which further actions are taken in such cases, including without limitation special designation of the Issuer's shares in the exchange systems,
 - e) reports concerning general meetings of shareholders and bondholders, redemption of bonds and early redemption of bonds,
 - f) reports which specify changes to the Issuer's shareholding structure, the Issuer's share capital, the composition of the Issuer's bodies and its address details.
- 5.5. The Exchange requires Issuers to consult the Exchange on any actions which may affect the organisation and method of performance of actions related to trading on the exchange, and the Exchange consults Issuers in order to determine the details and the course of such actions.

- 5.6. In the case of Issuers against whom restructuring, bankruptcy or liquidation proceedings are pending, the Exchange verifies information provided by such Issuers, including in particular the effective dates of decisions issued in the proceedings.
- 5.7. If significant errors or gaps are identified in reports referred to in 5.4 above, the Exchange requests the Issuer to provide additional information or to amend/correct/supplement the report published by the Issuer.
- 5.8. In the event of an identified or suspected breach of the Issuer's disclosure obligations, the Exchange notifies PFSA.
- 5.9. In the event of an identified breach of the disclosure obligations of an Issuer established outside of the Republic of Poland, which in the opinion of the Exchange poses a threat to the safety of trading or the interest of trading participants, the Exchange may suspend trading in the shares of the Issuer and notify PFSA of the identified breach. In the event of compelling reasons, the Exchange additionally notifies the competent supervisory authority of the Issuer.