

**Key Information Documents for buyers (page 1-3) and writers (page 4-6) of WIG20 call options traded on the Warsaw Stock Exchange**

**1. Key Information Document: WIG20 call option purchase strategy (long call)**

**Purpose:**

This document provides you with key information about this investment product. The Warsaw Stock Exchange points out that this is not marketing material and neither is it an offer within the meaning of the Civil Code.

The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

**Product:**

**Name of the product:** Long position in WIG20 call options (long call)

**Name of PRIIP manufacturer:** Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange, GPW or Exchange)

[www.gpw.pl](http://www.gpw.pl)

Call +48 22 628 32 32 for more information.

**Competent authority of the PRIIP manufacturer in relation to the KID:** KNF (Komisja Nadzoru Finansowego, Polish Financial Supervision Authority, PFSA)

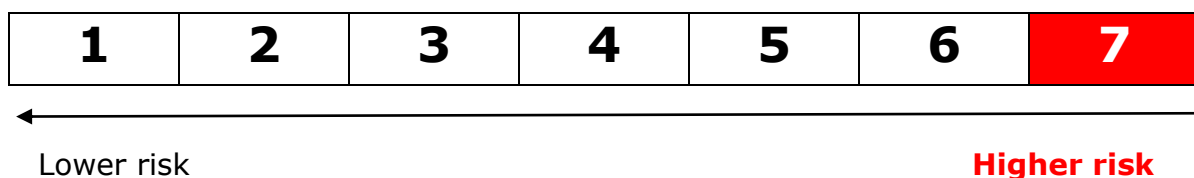
**Date of production of the KID:** 31.12.2017

**You are about to purchase a product that is not simple and may be difficult to understand**

**What is this product?**

<b>Type</b>	This product is a strategy consisting in buying a WIG20 call option. This product is classified as a derivative instrument according to Annex I Section C of MIFID (Directive 2014/65/EU).
<b>Objectives</b>	<p>Holders of call options (long position) are entitled to exercise the option and receive the settlement amount from the option writer. At the expiry date, options expire and the option settlement amount is calculated depending on the price of the underlying and the option exercise price.</p> <p>Each option series has an expiry date at which the option series expires. Open positions may be closed out during the trading session on GPW (within the option trading hours) by selling the call option.</p> <p>For all details of the options, see the Standard Specification of the call and put options on the Warsaw Stock Exchange Large-Cap Index WIG20 set out in Resolution No. 11/977/2003 of the Exchange Supervisory Board dated 19 February 2003 (as amended) available on the Exchange's website: <a href="https://www.gpw.pl/contract-specifications-trading-rules">https://www.gpw.pl/contract-specifications-trading-rules</a></p> <p>The underlying of the options is WIG20, an index calculated since 16 April 1994 on the basis of the portfolio of the 20 biggest and most liquid stocks on the GPW Main Market. The initial index value was 1,000 points. WIG20 is a price index, i.e., it only includes the prices of transactions excluding dividend income. The methodology of stock selection and index calculation is available at: <a href="https://gpwbenchmark.pl/en-karta-indeksu?isin=PL9999999987">https://gpwbenchmark.pl/en-karta-indeksu?isin=PL9999999987</a></p>
<b>Intended retail investor</b>	<p>The product is not addressed to a specific category of investors.</p> <p>Retail investors who intend to buy the product must be aware that they may lose the amount equal to the price (premium) paid to buy the call option plus a commission charged by the intermediary financial institution.</p> <p>Options (long or short position) may be used to build investment strategies, hedge positions in the underlying, or build strategies which offer gains when the price of the purchased call option rises or the price of the written call option falls.</p> <p>Before you buy the product, you should be able to understand the details of the product and decide whether the product fits your investment objectives at an acceptable risk.</p> <p>If you have any doubts as to whether these criteria are met, ask for clarifications at the intermediary financial institution or another institution which could determine whether the instrument is a good fit for you.</p>

**What are the risks and what could I get in return?**



The risk indicator assumes you keep the product until maturity as described in the Standard Specification.

The instrument has materially relevant liquidity risk. You may not be able to cash in early, mainly due to low liquidity understood as no price offers or only such offers whose price you may not accept. If you cash in at an early stage, you may get back less than you expect.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because of low or no liquidity for the product.

**We have classified this product as 7 out of 7, which is the highest risk class.**

This rates the potential losses from future performance at a very high level. Market conditions including factors other than the value of the underlying index are likely to impact the product price.

Be aware that you may be exposed to a loss equal to the price (premium) paid for the call option plus a commission charged by the intermediary financial institution.

## Performance scenarios (profit/loss)

The profit or loss of holders of options, assuming that the product is held to expiry, depends on the option exercise price, the settlement price, and the price (premium) paid for the call option. The price (premium) paid for the option depends on many factors including among others the index value, the option exercise price, time to expiry, volatility of the underlying, interest rates, dividends paid by the WIG20 companies, activity of market makers and other investors with respect to the product.

The profit or loss on the product may be considered in isolation unless the product is a part of an option strategy (in that case, the loss on specific strategy elements may be less than, greater than, or equal to the profit on other strategy elements).

**The maximum loss on the option purchase strategy is equal to the premium paid (plus the purchase cost).**



### Calculating profit/loss at expiry

If the settlement price is greater than the exercise price of the options at expiry, you will receive the settlement amount calculated as follows:

$$C(T) = M(K-m)$$

$C(T)$  – profit/loss

$M$  – multiplier (for WIG20 options, the multiplier is PLN 10)

$K$  – settlement price

$m$  – exercise price

Your profit/loss is calculated as follows:

$$(\text{Max}(K-m); 0) - \text{purchase price}) * M$$

Profit/loss = 0 if settlement price ( $K$ ) = exercise price ( $m$ ) + purchase price

Profit > 0 if settlement price ( $K$ ) > exercise price ( $m$ ) + purchase price

Premium = purchase price\*multiplier

### Examples:

Example 1: Settlement price (K) = 2520 points, exercise price (m) = 2450 points, purchase price = 30 points, multiplier = 10 PLN  
Profit/loss =  $(2520 - 2450 - 30) * 10 \text{ PLN} = 40 \text{ points} * 10 \text{ PLN} = 400 \text{ PLN}$  (profit)

Example 2: Settlement price (K) = 2450 points, exercise price (m) = 2500 points, purchase price = 30 points, multiplier = 10 PLN  
The loss in the strategy may not be greater than option price\*multiplier, hence, loss =  $-30 \text{ points} * 10 \text{ PLN} = -300 \text{ PLN}$  (loss)

### What happens if trading organiser/PRIIP manufacturer is unable to pay out?

The Warsaw Stock Exchange has no liability to pay out the settlement amount. Clearing of trade is a responsibility of KDPW's clearing house KDPW\_CCP. For information on clearing of option trade, visit [www.kdpw.pl](http://www.kdpw.pl). KDPW\_CCP clears all derivatives trade on GPW.

### What are the (transaction and position) costs?

Costs over time (cost of opening and maintaining positions, cost components):

GPW charges fees for option trade. Fees are charged to intermediary Exchange Members. The fees are presented in Exhibit 1 to the Exchange Rules, which specifies all fee reductions under periodic promotions offered by the GPW Management Board. The details are available on the Exchange's website: [www.gpw.pl](http://www.gpw.pl).

Your costs include commissions and other fees charged by Exchange Members who submit your orders to the Exchange. If other intermediaries or advisors are involved in the submission of orders, your costs may include their fees.

Costs charged by intermediaries may include fees charged by KDPW\_CCP for the opening and closing or expiry of products. The list and the amounts of fees charged by KDPW\_CCP are available at [www.kdpw.pl](http://www.kdpw.pl).

The Exchange charges no other fees, either periodic or recurrent, on transactions and positions in the instruments described herein.

Tax regulations of your home member state as a retail investor may impact the actual profits you receive.

### How long should I hold it and can I take money out early?

There is no one single holding period fit for all investors. Long positions in call options may be held until expiry. You may decide to maintain the position to expiry or cash out early depending on your investment strategy and risk profile. Long positions in call options may be closed out by selling the options before expiry.

### How can I complain?

You may file complaints with the intermediary investment firm you have contracted to submit your orders for the product. Intermediaries are required to inform you about the risks involved in the investment product.

### Other relevant information

Before buying the product, read the product description in the Standard Specification and the Trading Rules approved by the Polish Financial Supervision Authority.

KDPW's clearing house KDPW\_CCP is responsible for determining margins required to maintain derivatives positions.

**This material prepared by the Warsaw Stock Exchange is for education only. It is neither an offer nor a recommendation to buy or sell any financial instruments, products or commodities. This material neither provides investment advice nor suggests that any investment or strategy is fit for your individual needs. To get investment advice, approach at each time an investment advisor or other person or entity providing such service.**

## 2. Key Information Document: WIG20 call option write strategy (short call)

### Purpose:

This document provides you with key information about this investment product. The Warsaw Stock Exchange points out that this is not marketing material and neither is it an offer within the meaning of the Civil Code. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### Product:

**Name of the product:** Short position in WIG20 call options (short call)

**Name of PRIIP manufacturer:** Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange, GPW or Exchange)

[www.gpw.pl](http://www.gpw.pl)

Call +48 22 628 32 32 for more information.

**Competent authority of the PRIIP manufacturer in relation to the KID:** KNF (Komisja Nadzoru Finansowego, Polish Financial Supervision Authority, PFSA)

**Date of production of the KID:** 31.12.2017

**You are about to purchase a product that is not simple and may be difficult to understand**

### What is this product?

Type	This product is a strategy consisting in writing a WIG20 call option. This product is classified as a derivative instrument according to Annex I Section C of MIFID (Directive 2014/65/EU).
Objectives	<p>Writers of call options (short position) are entitled to receive the price of the written option and required to pay the settlement amount to the option buyer (holder of the long position). At the expiry date, options expire and the option settlement amount is calculated depending on the price of the underlying and the option exercise price.</p> <p>Each option series has an expiry date at which the option series expires. Open positions may be closed out during the trading session on GPW (within the option trading hours) by buying the call option.</p> <p>For all details of the options, see the Standard Specification of the call and put options on the Warsaw Stock Exchange Large-Cap Index WIG20 set out in Resolution No. 11/977/2003 of the Exchange Supervisory Board dated 19 February 2003 (as amended) available on the Exchange's website: <a href="https://www.gpw.pl/contract-specifications-trading-rules">https://www.gpw.pl/contract-specifications-trading-rules</a></p> <p>The underlying of the options is WIG20, an index calculated since 16 April 1994 on the basis of the portfolio of the 20 biggest and most liquid stocks on the GPW Main Market. The initial index value was 1,000 points. WIG20 is a price index, i.e., it only includes the prices of transactions excluding dividend income. The methodology of stock selection and index calculation is available at: <a href="https://gpwbenchmark.pl/en-karta-indeksu?isin=PL9999999987">https://gpwbenchmark.pl/en-karta-indeksu?isin=PL9999999987</a></p>
Intended retail investor	<p>The product is not addressed to a specific category of investors.</p> <p>Retail investors who intend to write the product must be aware that they may lose the amount (determined at expiry) equal to the difference between the settlement price and the option exercise price less the price (premium) received for the written call option plus a commission charged by the intermediary financial institution.</p> <p>Options (long or short position) may be used to build investment strategies, hedge positions in the underlying, or build strategies which offer gains when the price of the purchased call option rises or the price of the written call option falls.</p> <p>Before you buy the product, you should be able to understand the details of the product and decide whether the product fits your investment objectives at an acceptable risk.</p> <p>If you have any doubts as to whether these criteria are met, ask for clarifications at the intermediary financial institution or another institution which could determine whether the instrument is a good fit for you.</p>

### What are the risks and what could I get in return?



Lower risk

Higher risk



The risk indicator assumes you keep the product until maturity as described in the Standard Specification.

The instrument has materially relevant liquidity risk. You may not be able to cash in early, mainly due to low liquidity understood as no price offers or only such offers whose price you may not accept. If you cash in at an early stage, you may get back less than you expect.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because of low or no liquidity for the product.

**We have classified this product as 7 out of 7, which is the highest risk class.**

This rates the potential losses from future performance at a very high level. Market conditions including factors other than the value of the underlying index are likely to impact the product price.

Be aware that you may be exposed to a loss much greater than the price (premium) received for the written (sold) call option.

## Performance scenarios (profit/loss)

The profit or loss of writers of options, assuming that the product is held to expiry, depends on the option exercise price, the settlement price, and the price (premium) received for the call option. The price (premium) received for the option depends on many factors including among others the index value, the option exercise price, time to expiry, volatility of the underlying, interest rates, dividends paid by the WIG20 companies, activity of market makers and other investors with respect to the product.

The profit or loss on the product may be considered in isolation unless the product is a part of an option strategy (in that case, the loss on specific strategy elements may be less than, greater than, or equal to the profit on other strategy elements).

**The maximum loss on the option write strategy is equal to the difference between the settlement price and the exercise price less the premium received plus the option purchase cost.**



### Calculating profit/loss at expiry

If the settlement price is greater than the exercise price of the options at expiry, you will pay to the call option holder the settlement amount calculated as follows:

$$C(T) = M(K-m)$$

$C(T)$  – profit/loss

$M$  – multiplier (for WIG20 options, the multiplier is PLN 10)

$K$  – settlement price

$m$  – exercise price

Your profit/loss is calculated as follows:

$$(\text{Option sale price} - \text{Max}((K-m); 0)) * M$$

The maximum profit is equal to the premium received for the written (sold) option, if the settlement price is less than or equal to the exercise price.

Profit/loss = 0 if settlement price ( $K$ ) = exercise price ( $m$ ) + sale price

Profit/loss < 0 if settlement price ( $K$ ) > exercise price ( $m$ ) + sale price

Premium = purchase price\*multiplier

### Examples:

Example 1: Settlement price ( $K$ ) = 2520 points, exercise price ( $m$ ) = 2450 points, sale price = 30 points, multiplier = 10 PLN

Profit/loss =  $(30 - (2520 - 2450)) * 10 \text{ PLN} = -40 \text{ points} * 10 \text{ PLN} = -400 \text{ PLN (loss)}$

Example 2: Settlement price ( $K$ ) = 2450 points, exercise price ( $m$ ) = 2500 points, sale price = 30 points, multiplier = 10 PLN

The profit in the strategy may not be greater than option price\*multiplier, hence, profit =  $30 \text{ points} * 10 \text{ PLN} = 300 \text{ PLN (profit)}$

**What happens if trading organiser/PRIIP manufacturer is unable to pay out?**

The Warsaw Stock Exchange has no liability to pay out the settlement amount. Clearing of trade is a responsibility of KDPW's clearing house KDPW\_CCP. For information on clearing of option trade, visit [www.kdpw.pl](http://www.kdpw.pl). KDPW\_CCP clears all derivatives trade on GPW.

**What are the (transaction and position) costs?**

Costs over time (cost of opening and maintaining positions, cost components):

GPW charges fees for option trade. Fees are charged to intermediary Exchange Members. The fees are presented in Exhibit 1 to the Exchange Rules, which specifies all fee reductions under periodic promotions offered by the GPW Management Board. The details are available on the Exchange's website: [www.gpw.pl](http://www.gpw.pl).

Your costs include commissions and other fees charged by Exchange Members who submit your orders to the Exchange. If other intermediaries or advisors are involved in the submission of orders, your costs may include their fees.

Costs charged by intermediaries may include fees charged by KDPW\_CCP for the opening and closing or expiry of products. The list and the amounts of fees charged by KDPW\_CCP are available at [www.kdpw.pl](http://www.kdpw.pl).

For short call and short put strategies (writing a call option or a put option), you need to maintain the margin required by KDPW's clearing house KDPW\_CCP. For information on the terms and amounts of margins for derivatives, visit [www.kdpw.pl](http://www.kdpw.pl).

The Exchange charges no other fees, either periodic or recurrent, on transactions and positions in the instruments described herein.

Tax regulations of your home member state as a retail investor may impact the actual profits you receive.

**How long should I hold it and can I take money out early?**

There is no one single holding period fit for all investors. Short positions in call options may be held until expiry. You may decide to maintain the position to expiry or cash out early depending on your investment strategy and risk profile. Short positions in call options may be closed out by buying the options before expiry.

**How can I complain?**

You may file complaints with the intermediary investment firm you have contracted to submit your orders for the product. Intermediaries are required to inform you about the risks involved in the investment product.

**Other relevant information**

Before buying the product, read the product description in the Standard Specification and the Trading Rules approved by the Polish Financial Supervision Authority.

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## Key Information Documents for buyers (page 7-9) and writers (page 10-12) of WIG20 put options traded on the Warsaw Stock Exchange

### 1. Key Information Document: WIG20 put option purchase strategy (long put)

#### Purpose:

This document provides you with key information about this investment product. The Warsaw Stock Exchange points out that this is not marketing material and neither is it an offer within the meaning of the Civil Code.

The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

#### Product:

**Name of the product:** Long position in WIG20 put options (long put)

**Name of PRIIP manufacturer:** Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange, GPW or Exchange)  
[www.gpw.pl](http://www.gpw.pl)

Call +48 22 628 32 32 for more information.

**Competent authority of the PRIIP manufacturer in relation to the KID:** KNF (Komisja Nadzoru Finansowego, Polish Financial Supervision Authority, PFSA)

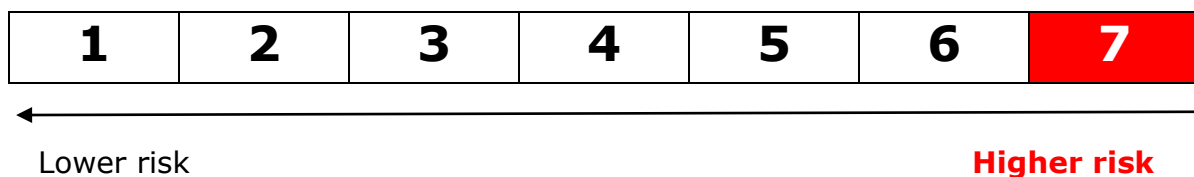
**Date of production of the KID:** 31.12.2017

**You are about to purchase a product that is not simple and may be difficult to understand**

#### What is this product?

<b>Type</b>	This product is a strategy consisting in buying a WIG20 put option. This product is classified as a derivative instrument according to Annex I Section C of MIFID (Directive 2014/65/EU).
<b>Objectives</b>	Holders of put options (long position) are entitled to exercise the option and receive the settlement amount from the option writer. At the expiry date, options expire and the option settlement amount is calculated depending on the price of the underlying and the option exercise price.
	Each option series has an expiry date at which the option series expires. Open positions may be closed out during the trading session on GPW (within the option trading hours) by selling the put option. For all details of the options, see the Standard Specification of the call and put options on the Warsaw Stock Exchange Large-Cap Index WIG20 set out in Resolution No. 11/977/2003 of the Exchange Supervisory Board dated 19 February 2003 (as amended) available on the Exchange's website: <a href="https://www.gpw.pl/contract-specifications-trading-rules">https://www.gpw.pl/contract-specifications-trading-rules</a>
	The underlying of the options is WIG20, an index calculated since 16 April 1994 on the basis of the portfolio of the 20 biggest and most liquid stocks on the GPW Main Market. The initial index value was 1,000 points. WIG20 is a price index, i.e., it only includes the prices of transactions excluding dividend income. The methodology of stock selection and index calculation is available at: <a href="https://gpwbenchmark.pl/en-karta-indeksu?isin=PL9999999987">https://gpwbenchmark.pl/en-karta-indeksu?isin=PL9999999987</a>
<b>Intended retail investor</b>	<p>The product is not addressed to a specific category of investors. Retail investors who intend to buy the product must be aware that they may lose the amount equal to the price (premium) paid to buy the put option plus a commission charged by the intermediary financial institution.</p> <p>Options (long or short position) may be used to build investment strategies, hedge positions in the underlying, or build strategies which offer gains when the price of the purchased option rises or the price of the written option falls.</p> <p>Before you buy the product, you should be able to understand the details of the product and decide whether the product fits your investment objectives at an acceptable risk. If you have any doubts as to whether these criteria are met, ask for clarifications at the intermediary financial institution or another institution which could determine whether the instrument is a good fit for you.</p>

#### What are the risks and what could I get in return?



The risk indicator assumes you keep the product until maturity as described in the Standard Specification.

The instrument has materially relevant liquidity risk. You may not be able to cash in early, mainly due to low liquidity understood as no price offers or only such offers whose price you may not accept. If you cash in at an early stage, you may get back less than you expect.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because of low or no liquidity for the product.

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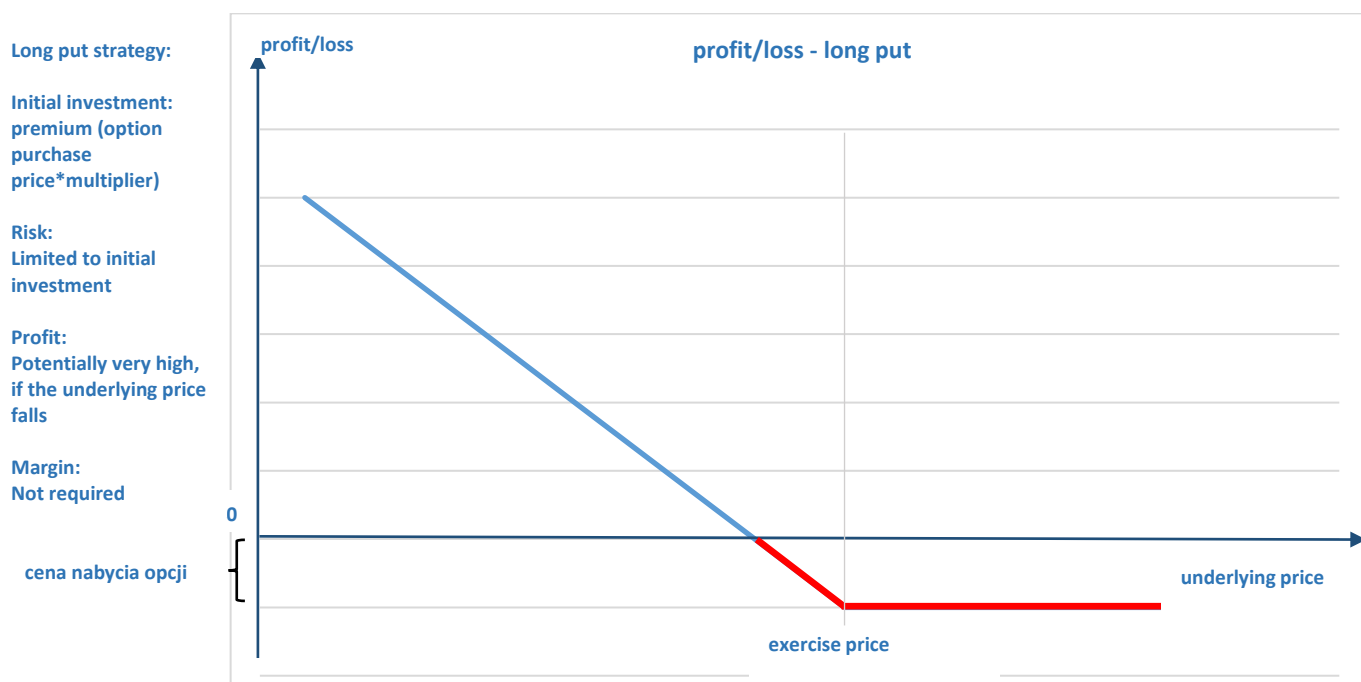
Be aware that you may be exposed to a loss equal to the price (premium) paid for the put option plus a commission charged by the intermediary financial institution.

## Performance scenarios (profit/loss)

The profit or loss of holders of options, assuming that the product is held to expiry, depends on the option exercise price, the settlement price, and the price (premium) paid for the put option. The price (premium) paid for the option depends on many factors including among others the index value, the option exercise price, time to expiry, volatility of the underlying, interest rates, dividends paid by the WIG20 companies, activity of market makers and other investors with respect to the product.

The profit or loss on the product may be considered in isolation unless the product is a part of an option strategy (in that case, the loss on specific strategy elements may be less than, greater than, or equal to the profit on other strategy elements).

**The maximum loss on the put option purchase strategy is equal to the premium paid (plus the purchase cost).**



### Calculating profit/loss at expiry

If the settlement price is less than the exercise price of the options at expiry, you will receive the settlement amount calculated as follows:

$$C(T) = M(m-K)$$

$C(T)$  – profit/loss

$M$  – multiplier (for WIG20 options, the multiplier is PLN 10)

$K$  – settlement price

$m$  – exercise price

Your profit/loss is calculated as follows:

$$(\text{Max}(m-K); 0) - \text{purchase price} * M$$

Profit/loss = 0 if settlement price ( $K$ ) = exercise price ( $m$ ) - purchase price

Profit > 0 if settlement price ( $K$ ) < exercise price ( $m$ ) - purchase price

Premium = purchase price\*multiplier

### Examples:

Example 1: Settlement price (K) = 2370 points, exercise price (m) = 2450 points, purchase price = 30 points, multiplier = 10 PLN  
Profit/loss =  $(2450 - 2370 - 30) * 10 \text{ PLN} = 50 \text{ points} * 10 \text{ PLN} = 500 \text{ PLN}$  (profit)

Example 2: Settlement price (K) = 2500 points, exercise price (m) = 2450 points, purchase price = 30 points, multiplier = 10 PLN  
The loss in the strategy may not be greater than option price\*multiplier, hence, loss =  $-30 \text{ points} * 10 \text{ PLN} = -300 \text{ PLN}$  (loss)

### What happens if trading organiser/PRIIP manufacturer is unable to pay out?

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### How long should I hold it and can I take money out early?

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### How can I complain?

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### Other relevant information

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## 2. Key Information Document: WIG20 put option write strategy (short put)

### Purpose:

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The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### Product:

**Name of the product:** Short position in WIG20 put options (short put)

**Name of PRIIP manufacturer:** Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange, GPW or Exchange)

[www.gpw.pl](http://www.gpw.pl)

Call +48 22 628 32 32 for more information.

**Competent authority of the PRIIP manufacturer in relation to the KID:** KNF (Komisja Nadzoru Finansowego, Polish Financial Supervision Authority, PFSA)

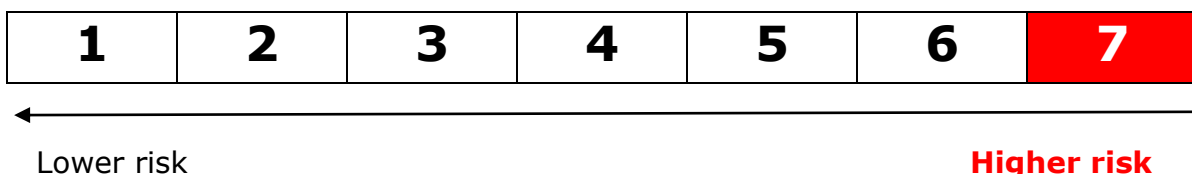
**Date of production of the KID:** 31.12.2017

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### What is this product?

Type	This product is a strategy consisting in writing a WIG20 put option. This product is classified as a derivative instrument according to Annex I Section C of MIFID (Directive 2014/65/EU).
Objectives	Writers of put options (short position) are entitled to receive the price of the written option and required to pay the settlement amount to the option buyer (holder of the long position). At the expiry date, options expire and the option settlement amount is calculated depending on the price of the underlying and the option exercise price.
	Each option series has an expiry date at which the option series expires. Open positions may be closed out during the trading session on GPW (within the option trading hours) by buying the put option. For all details of the options, see the Standard Specification of the call and put options on the Warsaw Stock Exchange Large-Cap Index WIG20 set out in Resolution No. 11/977/2003 of the Exchange Supervisory Board dated 19 February 2003 (as amended) available on the Exchange's website: <a href="https://www.gpw.pl/contract-specifications-trading-rules">https://www.gpw.pl/contract-specifications-trading-rules</a>
	The underlying of the options is WIG20, the Large-Cap Index calculated since 16 April 1994 on the basis of the portfolio of the 20 biggest and most liquid stocks on the GPW Main Market. The initial index value was 1,000 points. WIG20 is a price index, i.e., it only includes the prices of transactions excluding dividend income. The methodology of stock selection and index calculation is available at: <a href="https://gpwbenchmark.pl/en-karta-indeksu?isin=PL9999999987">https://gpwbenchmark.pl/en-karta-indeksu?isin=PL9999999987</a>
Intended retail investor	The product is not addressed to a specific category of investors. Retail investors who intend to write the product must be aware that they may lose the amount (determined at expiry) equal to the difference between the settlement price and the option exercise price less the price (premium) received for the written put option plus a commission charged by the intermediary financial institution. Options (long or short position) may be used to build investment strategies, hedge positions in the underlying, or build strategies which offer gains when the price of the purchased put option rises or the price of the written put option falls. Before you buy the product, you should be able to understand the details of the product and decide whether the product fits your investment objectives at an acceptable risk. If you have any doubts as to whether these criteria are met, ask for clarifications at the intermediary financial institution or another institution which could determine whether the instrument is a good fit for you.

### What are the risks and what could I get in return?



The risk indicator assumes you keep the product until maturity as described in the Standard Specification.

The instrument has materially relevant liquidity risk. You may not be able to cash in early, mainly due to low liquidity understood as no price offers or only such offers whose price you may not accept. If you cash in at an early stage, you may get back less than you expect.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because of low or no liquidity for the product.

**We have classified this product as 7 out of 7, which is the highest risk class.**

This rates the potential losses from future performance at a very high level. Market conditions including factors other than the value of the underlying index are likely to impact the product price.

Be aware that you may be exposed to a loss much greater than the price (premium) received for the written (sold) put option less the commission charged by the intermediary financial institution.

## Performance scenarios (profit/loss)

The profit or loss of writers of options, assuming that the product is held to expiry, depends on the option exercise price, the settlement price, and the price (premium) received for the put option. The price (premium) received for the option depends on many factors including among others the index value, the option exercise price, time to expiry, volatility of the underlying, interest rates, dividends paid by the WIG20 companies, activity of market makers and other investors with respect to the product.

The profit or loss on the product may be considered in isolation unless the product is a part of an option strategy (in that case, the loss on specific strategy elements may be less than, greater than, or equal to the profit on other strategy elements).

**The maximum loss on the put option write strategy is equal to the difference between the exercise price and the settlement price less the premium received plus the option purchase cost.**



### Calculating profit/loss at expiry

If the settlement price is less than the exercise price of the options at expiry, you will pay to the put option holder the settlement amount calculated as follows:

$$C(T) = M(m-K)$$

$C(T)$  – profit/loss

$M$  – multiplier (for WIG20 options, the multiplier is PLN 10)

$K$  – settlement price

$m$  – exercise price

Your profit/loss is calculated as follows:

$$\text{(Option sale price - Max ((m-K); 0)) * M}$$

The maximum profit is equal to the premium received for the written (sold) option, if the settlement price is greater than or equal to the exercise price.

Profit/loss = 0 if settlement price ( $K$ ) = exercise price ( $m$ ) - sale price

Profit/loss < 0 if settlement price ( $K$ ) < exercise price ( $m$ ) - sale price

Premium = purchase price \* multiplier

### Examples:

Example 1: Settlement price (K) = 2370 points, exercise price (m) = 2450 points, purchase price = 30 points, multiplier = 10 PLN  
Profit/loss =  $(30 - (2450-2370)) * 10 \text{ PLN} = -50 \text{ points} * 10 \text{ PLN} = -500 \text{ PLN (loss)}$

Example 2: Settlement price (K) = 2500 points, exercise price (m) = 2450 points, purchase price = 30 points, multiplier = 10 PLN  
The loss in the strategy may not be greater than option price\*multiplier, hence, profit =  $30 \text{ points} * 10 \text{ PLN} = 300 \text{ PLN (profit)}$

### What happens if trading organiser/PRIIP manufacturer is unable to pay out?

The Warsaw Stock Exchange has no liability to pay out the settlement amount. Clearing of trade is a responsibility of KDPW's clearing house KDPW\_CCP. For information on clearing of option trade, visit [www.kdpw.pl](http://www.kdpw.pl). KDPW\_CCP clears all derivatives trade on GPW.

### What are the (transaction and position) costs?

Costs over time (cost of opening and maintaining positions, cost components):

GPW charges fees for option trade. Fees are charged to intermediary Exchange Members. The fees are presented in Exhibit 1 to the Exchange Rules, which specifies all fee reductions under periodic promotions offered by the GPW Management Board. The details are available on the Exchange's website: [www.gpw.pl](http://www.gpw.pl).

Your costs include commissions and other fees charged by Exchange Members who submit your orders to the Exchange. If other intermediaries or advisors are involved in the submission of orders, your costs may include their fees.

Costs charged by intermediaries may include fees charged by KDPW\_CCP for the opening and closing or expiry of products. The list and the amounts of fees charged by KDPW\_CCP are available at [www.kdpw.pl](http://www.kdpw.pl).

For short call and short put strategies (writing a call option or a put option), you need to maintain the margin required by KDPW's clearing house KDPW\_CCP. For information on the terms and amounts of margins for derivatives, visit [www.kdpw.pl](http://www.kdpw.pl).

The Exchange charges no other fees, either periodic or recurrent, on transactions and positions in the instruments described herein.

Tax regulations of your home member state as a retail investor may impact the actual profits you receive.

### How long should I hold it and can I take money out early?

There is no one single holding period fit for all investors. Short positions in put options may be held until expiry. You may decide to maintain the position to expiry or cash out early depending on your investment strategy and risk profile. Short positions in put options may be closed out by buying the options before expiry.

### How can I complain?

You may file complaints with the intermediary investment firm you have contracted to submit your orders for the product. Intermediaries are required to inform you about the risks involved in the investment product.

### Other relevant information

Before buying the product, read the product description in the Standard Specification and the Trading Rules approved by the Polish Financial Supervision Authority.

KDPW's clearing house KDPW\_CCP is responsible for determining margins required to maintain derivatives positions.

**This material prepared by the Warsaw Stock Exchange is for education only. It is neither an offer nor a recommendation to buy or sell any financial instruments, products or commodities. This material neither provides investment advice nor suggests that any investment or strategy is fit for your individual needs. To get investment advice, approach at each time an investment advisor or other person or entity providing such service.**