TRADING RULES FOR OPTIONS ON THE WARSAW STOCK EXCHANGE LARGE-CAP INDEX WIG20

Statement of the Securities and Exchange Commission[1] in connection with the decision to approve the introduction of options to public trading

The Securities and Exchange Commission has decided that the presented documents contain all such data and information as required by law.

The Securities and Exchange Commission is not liable for any investment risk involved in the trading in options described in these Trading Rules for Options on the Warsaw Stock Exchange Index WIG20.[2]

The Securities and Exchange Commission advises potential investors to take note of the risks described in chapter 3.3.1 of the Trading Rules for Options on the Warsaw Stock Exchange Index WIG20.

In its Decision No. DSPE/414/02/03/2/2003 of 30 May 2003, the Securities and Exchange Commission has approved the introduction to public trading of the options subject to these Trading Rules for Options on the Warsaw Stock Exchange Index WIG20.

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These Trading Rules have been updated as of the WATS system go-live date[3]

[1] This body is now known as the Polish Financial Supervision Authority (PFSA)
[2] The index name is Warsaw Stock Exchange Large-Cap Index WIG20 as of 19 March 2007.
[3] During the period of temporary reversion to trading in the UTP system, the Trading Rules as in effect on the last trading session day preceding the implementation date of the GPW WATS system shall apply.

DEFINITIONS AND ABBREVIATIONS

underlying instrument - the Warsaw Stock Exchange Large-Cap Index WIG20;

European style call options - the obligation of the option writer to pay the settlement balance to the option buyer on the option expiry date; the settlement balance is equal to the difference between the settlement value and the exercise value;

European style put options - the obligation of the option writer to pay the settlement balance to the option buyer on the option expiry date; the settlement balance is equal to the difference between the exercise value and the settlement value;

call option series – call options representing a standard set by the Exchange, having the same underlying instrument, the same expiry date and the same exercise price;

put option series – put options representing a standard set by the Exchange, having the same underlying instrument, the same expiry date and the same exercise price;

call option class – a class includes all call options that have the same underlying instrument and comply with the same standard;

put option class – a class includes all put options that have the same underlying instrument and comply with the same standard;

exercise price - equal to the value of the underlying used to determine the settlement balance based on the multiplier;

exercise value – product of the exercise price and the multiplier;

option value (premium) – product of the option price and the multiplier; the amount paid by the option buyer to the option writer;

expiry date – third Friday of the expiry month for the series. If such day is not a trading day according to the Exchange calendar, the expiry date shall fall on the last trading day before the third Friday of the expiry month;

exercise date - the date when the amount due on exercise of the option is determined. It is the date of expiry of the option, i.e., the day on which the settlement price is determined;

last trading day – the trading day when an option series is last traded on the exchange. It is the date of expiry of the options;

settlement price – determined at the expiry date and equal to the arithmetic mean of all values of the WIG20 index in the last hour of the continuous trading phase and the value of the WIG20 index determined at the closing of the trading session;

settlement value – product of the settlement price and the multiplier;

multiplier – monetary unit multiplied by one index point of WIG20;

long position – a purchase of an option;

short position – a sale (writing) of an option;

close-out – cessation of the rights and obligations relating to a purchase or sale of an option. The closing option must be of the same series as the option being closed. Option expiry closes out all open positions in the expiring series;

clearing account – registration device operated by KDPW_CCP in the transaction clearing system for a participant to clear transactions to which the participant is a counterparty or clearing counterparty and to record positions of the participant;

collateral account – registration device operated by KDPW_CCP in the transaction clearing system to record maintenance margins.

Abbreviations used in the text:

PFSA – the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego, formerly the Securities and Exchange Commission);

Exchange – the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.);

KDPW – Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.);

KDPW_CCP - KDPW_CCP S.A.;

the Trading Rules – these Trading Rules for a Scheme of Options on the Warsaw Stock Exchange Large-Cap Index WIG20;

the Trading Act – the Act on Trading in Financial Instruments of 29 July 2005 (consolidated text: Journal of Laws [*Dziennik Ustaw*] of 2024, item 722, as amended);

the Public Offer Act – the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies of 29 July 2005 (consolidated text: Journal of Laws [*Dziennik Ustaw*] of 2025, item 592, as amended);

the Regulation – the Minister of Finance's Regulation of 24 September 2020 on the admission to trading on the regulated market of financial instruments that are not securities (Journal of Laws [*Dziennik Ustaw*] 1724);

the Exchange Rules – the Warsaw Stock Exchange Rules as adopted by the Exchange Supervisory Board by Resolution No. 1/1110/2006 of 4 January 2006, as amended (the current text of Exchange Rules is published on the Exchange website: www.gpw.pl);

the Detailed Trading Rules – the Detailed Exchange Trading Rules adopted by the Exchange Management Board by Resolution No. 1038/2012 of 17 October 2012, as amended (the current text of the Detailed Trading Rules is published on the Exchange website: www.gpw.pl).

1.INTRODUCTION

Options are a derivatives scheme within the meaning of § 4(1) of the Regulation.

Under § 59 (3) and (4) of the Exchange Rules, an option is a right accruing to the buyer of the option vis-à-vis the option writer to:
a) demand on a specified date that the writer pay the amount depending (as per the trading terms and conditions) on the difference between the underlying instrument's market price (value) and the exercise price (value) of the option (call option with cash settlement), or
b) demand on a specified date that the writer pay the amount depending (as per the trading terms and conditions) on the difference between the option's exercise price (value) and the market price (value) of the underlying instrument (put option with cash settlement).

Options are traded on the main market of the Warsaw Stock Exchange.

According to Article 2(1)(2)(d) of the Trading Act, options subject to these Trading Rules are financial instruments other than securities.

Options of a class comprise option series with expiry dates in the three nearest calendar months + three subsequent months of the March quarterly cycle (March, June, September, December).

1) Differences between exercise prices of the different series of options which expire on a given expiry date are as follows:

Expiry date	Exercise price (in index points)	Differences between exercise prices (in index points)
Options with the nearest expiry date	from 5 to 475	5
	from 480 to 990	10
	at least 1000	25
Options with the two subsequent expiry dates	from 10 to 470	10
	from 480 to 980	20
	at least 1000	50
Options with the three farthest expiry dates	from 20 to 460	20
	from 480 to 960	40
	at least 1000	100

2) The following are introduced to trading on the first trading day after the expiry date of the series which expire in January, February, April, May, July, August, October, November:
   a) option series which expire on the new expiry date in the third calendar month after the expiry date of the previous series with the following exercise prices:
      i) one series with an exercise price that is nearest to the closing value of the underlying instrument at previous session; where the closing value

of the underlying instrument at previous session is the arithmetic mean of two nearest exercise prices, the higher of the two shall be deemed the exercise price for the series,

ii) eight series with an exercise price that is higher than the exercise price as specified in point 2(a)(i),

iii) eight series with an exercise price that is lower than the exercise price as specified in point 2(a)(i);

b) option series which expire on the nearest expiry date with such exercise prices that the differences between all exercise prices for that expiry date are consistent with the rules set out in the table referred to in point 1.

3) The following are introduced to trading on the first trading day after the expiry date of the series which expire in March, June, September, December:

a) option series which expire on the new expiry date in the twelfth calendar month after the expiry date of the previous series with the following exercise prices:

i) one series with an exercise price that is nearest to the closing value of the underlying instrument at previous session; where the closing value of the underlying instrument at previous session is the arithmetic mean of two nearest exercise prices, the higher of the two shall be deemed the exercise price for the series,

ii) four series with an exercise price that is higher than the exercise price as specified in point 3(a)(i),

iii) four series with an exercise price that is lower than the exercise price as specified in point 3(a)(i);

b) option series which expire on the nearest and the third expiry date with such exercise prices that the differences between all exercise prices for that expiry date are consistent with the rules set out in the table referred to in point 1.

4) In addition to the option series referred to in points 2 and 3, option series are introduced to trading on such dates and with such exercise prices that at least the following are in trading at the same time:

a) for the nearest expiry date:

i) one series with an exercise price that is nearest to the closing value of the underlying instrument at previous session; where the closing value of the underlying instrument at previous session is the arithmetic mean of two nearest exercise prices, the higher of the two shall be deemed the exercise price for the series,

ii) sixteen option series with exercise prices higher than the exercise price as specified in point i),

iii) sixteen option series with exercise prices lower than the exercise price as specified in point i).

b) for the two subsequent expiry dates:

i) one series with an exercise price that is nearest to the closing value of the underlying instrument at previous session; where the closing value of the underlying instrument at previous session is the arithmetic mean of two nearest exercise prices, the higher of the two shall be deemed the exercise price for the series,

ii) eight option series with exercise prices higher than the exercise price as specified in point i)

iii) eight option series with exercise prices lower than the exercise price as specified in point i)

c) for the three farthest expiry dates:

i) one series with an exercise price that is nearest to the closing value of the underlying instrument at previous session; where the closing value of the underlying instrument at previous session is the arithmetic mean of two nearest exercise prices, the higher of the two shall be deemed the exercise price for the series,

ii) four option series with exercise prices higher than the exercise price as specified in point i)

iii) four option series with exercise prices lower than the exercise price as specified in point i)

5) The Exchange Management Board may decide to introduce additional option series to trading. Information on introducing additional option series is disclosed to the public no later than on the trading day preceding the introduction.

For option series with a new expiry date in a class, the expiry date and the number of option series to be introduced are as follows:

a) for option series introduced to trading after the expiry date of series which expire in January, February, April, May, July, August, October, November: 34 option series (17 option series of each option type) expiring in the third calendar month after the expiry date of the previous series,
b) for option series introduced to trading after the expiry date of series which expire in March, June, September, December: 18 option series (9 option series of each option type) expiring in the twelfth calendar month after the expiry date of the previous series.

The number of option series with the same expiry date will increase according to the terms defined in the box "Exercise price" in the standard specification of options. For such option series, the time to expiry date is shorter than the three or twelve months referred to above, respectively.

Chapter 3.3.10 ("Standard specification of options") Section 2 presents the details of the measures taken to align the trading rules of WIG20 options with the modifications of the standard specification of WIG20 options approved under Resolution No. 804/2014 of the Exchange Management Board of 14 July 2014.

European style call options are understood as the obligation of the option writer to pay the settlement balance to the option buyer on the option expiry date. The settlement balance is equal to the difference between the settlement value and the exercise value. If the settlement value is less than or equal to the exercise value on the expiry date, the obligation of the option writer expires.

European style put options are understood as the obligation of the option writer to pay the settlement balance to the option buyer on the option expiry date. The settlement balance is equal to the difference between the exercise value and the settlement value. If the exercise value is less than or equal to the settlement value on the expiry date, the obligation of the option writer expires.

When entering into a transaction, option writers are required to deposit a margin on terms defined by KDPW_CCP. Writers are required to adjust their margins on terms defined by KDPW_CCP.

Chapter 4 ("Exhibit: Clearing guarantees") of the Trading Rules presents the detailed principles of securing claims arising from options, calculating margins, and clearing options at the exercise date.

The entity which applies for the approval of the admission of options on the Warsaw Stock Exchange Large-Cap Index WIG20 to trading on the regulated market is the Warsaw Stock Exchange with its seat in Warsaw, ul. Książęca 4, 00-498 Warsaw.

The Exchange Management Board shall set and publish, not later than 7 days before the first day of trading, the date on which trading in the first series of options of a class will commence. Trading in option series with a new expiry date within a class commences on the first trading day following the expiry date of the previous series. Trading in subsequent option series whose expiry date is the expiry date of series still in trading commences on the day of introducing the series to trading, according to the rules set out in the box "Exercise price" of the standard specification of options. The first day of trading in additional option series introduced to trading by decision of the Exchange Management Board is disclosed to the public no later than on the trading day preceding the introduction.

Trading in an option series shall cease on the trading day which is the third Friday of the series expiry month. For details on determining the first and last trading days for options, see Chapter 3 "Information on the Option Trading Rules."

The Warsaw Stock Exchange shall not be held liable in respect of investment risk involved in trading in options subject to the Trading Rules. Potential buyers and writers of options are advised to pay particular attention to the risks involved in investing in the options, as described in Chapter 3.1 of the Trading Rules.

These Trading Rules were drafted on 8 April 2003 and updated as of the WATS system go-live date[4]

The Trading Rules will be in force until the expiry date of the last series of options.

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[4] During the period of temporary reversion to trading in the UTP system, the Trading Rules as in effect on the last trading session day preceding the implementation date of the GPW WATS system shall apply.

Statement of the Securities and Exchange Commission[5] in connection with the decision to approve the introduction of options to public trading

The Securities and Exchange Commission has decided that the presented documents contain all such data and information as required by law.
The Securities and Exchange Commission is not liable for any investment risk involved in the trading in options described in these Trading Rules for Options on the Warsaw Stock Exchange Index WIG20.[6]
The Securities and Exchange Commission advises potential investors to take note of the risks described in chapter 3.3.1 of the Trading Rules for Options on the Warsaw Stock Exchange Index WIG20.
In its Decision No. DSPE/414/02/03/2/2003 of 30 May 2003, the Securities and Exchange Commission has approved the introduction to public trading of the options subject to these Trading Rules for Options on the Warsaw Stock Exchange Index WIG20.

Trading Rules are available on Exchange website: www.gpw.pl

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[5] This body is now known as the Polish Financial Supervision Authority (PFSA)
[6] The index name is Warsaw Stock Exchange Large-Cap Index WIG20 as of 19 March 2007.

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2. PERSONS RESPONSIBLE FOR THE INFORMATION IN THE TRADING RULES

2.1 Particulars of the entity applying for the admission of the options covered by the Trading Rules to public trading and preparing Chapters 1 to 3 of the Trading Rules

Name	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
Seat	Warsaw
Address	00-498 Warsaw ul. Książęca 4
Phone	(0 22) 628 32 32
Fax	(0-22) 628 17 54
E-mail	gpw@gpw.pl
Website:	http://www.gpw.pl

2.2 Authorised representatives of the Exchange

1. Sławomir Panasiuk – Vice-President of the Management Board
2. Michał Kobza – Member of the Management Board

2.3 Representation of authorised representatives of the applicant preparing Chapters 1 to 3 of the Trading Rules

Acting on behalf of the Exchange, the entity applying for the admission of the options covered by the Trading Rules to public trading, we, the undersigned members of the Exchange Management Board, represent that information contained in the Trading Rules is true and fair and does not omit any facts or circumstances that are required by law to be disclosed.

Furthermore, acting on behalf of the Exchange, the entity preparing the Trading Rules, we represent that information contained in Chapters 1 to 3 of the Trading Rules prepared by the Exchange is true and fair and does not omit any facts or circumstances that are required by law to be disclosed.

Sławomir Panasiuk	Michał Kobza
Vice-President of the Management Board	Member of the Management Board

2.4 Particulars of the entity preparing Chapter 4 of the Trading Rules ("Exhibit: Clearing guarantees")

Name	KDPW_CCP Spółka Akcyjna
Seat	Warsaw
Address	00-498 Warsaw, ul. Książęca 4
Phone	(022) 537 93 23
Fax	(022) 537 93 01
E-mail	ccp@kdpw.pl
Website:	http://www.kdpwccp.pl

2.5 Authorised representatives of KDPW_CCP

1. Maciej Trybuchowski –President of the Management Board

2. Marcin Truchanowicz– Member of the Management Board

2.6 Representation of authorised representatives of KDPW_CCP

Acting on behalf of KDPW_CCP, we, the undersigned members of the Management Board, represent that information contained in Chapter 4 ("Exhibit: Clearing guarantees") of the Trading Rules is true and fair and does not omit any facts or circumstances that are required by law to be disclosed.

Maciej Trybuchowski
President
of the Management Board

Marcin Truchanowicz
Member
of the Management Board

3. INFORMATION ON THE OPTION TRADING RULES

3.1 Description of risks for buyers and writers of options

3.1.1 Liquidity risk

High market participant activity and commitment should not be counted on in the first period of trading in options. Thus, it may be that a sizeable transaction will prove impossible to make or will produce a material price fluctuation.

3.1.2 Market risk

Market risk relates to option price fluctuations. Option prices depend mainly on the price of the underlying instrument and its volatility.

Market risk is increased by leverage in that the value of the initial investment (i.e., the option price times the multiplier for the buyer of options, and the margin for the writer of options) is low in comparison to the value of the underlying. Consequently, relatively small fluctuations of the price of the underlying have a proportionally bigger material effect on the value of positions in options.

Buyers of options should realise that investments in options could result in total loss of the investment where:

1. for call options, the settlement value at expiry is less than the option exercise value;
2. for put options, the settlement value at expiry is greater than the option exercise value.

Writers of options should realise that, if the amount of the margin falls below a certain pre-determined minimum, an investor holding open positions is subject to a margin call. If the payment is not made within the prescribed time, the positions of that investor will be closed out.
Where a position is closed out at a price greater than the opening price of a short position, the investment produces a loss. The loss exceeds the initial investment if the difference between the position closing value and the position opening value is greater than the margin deposited when opening the position.

The writer also incurs a loss where:

a) for call options, the difference between the settlement value and the exercise value is greater than the option value paid by the buyer to the writer;
b) for put options, the difference between the exercise value and the settlement value is greater than the option value paid by the buyer to the writer.

Furthermore, writers of options should realise that the option value paid to the option writer as a result of the transaction is the maximum return on the investment.

3.1.3 Risk of time

The option price also depends on the time to expiry. The closer to expiry, the more the option value may decrease even if the price of the underlying remains unchanged. Hence, time works to the disadvantage of buyers of call options and buyers of put options.

3.1.4 Risk inherent in transaction costs

Combined with a low value of orders, fees charged on transactions (purchase and sale as well as exercise of options) may generate costs which, in extreme cases, could exceed the option value. Therefore, investors should review transaction costs before making a transaction. The actual gain on any investment in options may only be assessed taking into account transaction costs.

3.2 Requirements for investors issuing or buying options

Both residents and non-residents, within the meaning of the Foreign Exchange Law - Act of 27 July 2002 (consolidated text: Journal of Laws [*Dziennik Ustaw*] of 2024, item 1131, as amended), may be writers and buyers of options. Such investors must hold option accounts.

3.2.1. Option accounts

Financial instruments that are not securities, including options, must be recorded on derivatives accounts.

The terms and procedures of opening, operating and closing derivatives accounts and the terms of providing the services of executing orders referring to derivatives are set out in the Minister of Finance's Regulation of 12 November 2024 on the procedures and conditions for the conduct of business by investment firms, state-owned banks conducting brokerage activities, banks referred to in Article 70(2) of the Act on Trading in Financial Instruments, and custodian banks (Journal of Laws, item 1735).

3.2.2. Fees

Entities engaged in the brokerage business collect transaction fees from investors for whom they operate option accounts, as per the fee schedules incorporated by reference to the account operating rules.

3.3 Rights and obligations arising from options

WIG20 options are understood as the right held by the option buyer to claim from the option writer the payment of an amount due on the terms laid down in Resolution No. 11/977/2003 of the Exchange Supervisory Board of 19 February 2003 (as amended) in the standard specification of call options and put options on the Warsaw Stock Exchange Large-Cap Index WIG20 in exchange for an amount paid on the transaction date.

The option buyer pays the option value (premium) to the option writer. Purchasing an option is tantamount to the opening of a long position.

After buying an option, investors may close out the (long) position on or before the last day of trading by issuing (selling) an option.
Options are exercised automatically at the exercise date unless the holder of options decides to waive the exercise right. Exercising an option is tantamount to closing the position in options.
The terms of waiving the exercise of options are defined in Chapter 4.2 of the Trading Rules and in internal regulations of brokers.

When entering into a transaction, option writers are required to deposit a margin on terms defined by KDPW_CCP. Writers are required to adjust their margins on terms defined by KDPW_CCP.

For investors holding short positions, the value of margins is calculated and updated on a daily basis on terms defined by KDPW_CCP.

After issuing an option, investors may close out their positions by buying an option.

Buyers of options are not required to deposit or maintain any margins.

Chapter 4 ("Exhibit: Clearing guarantees") of the Trading Rules presents the detailed principles of securing claims arising from options, calculating margins, and clearing options at the exercise date.

3.4 Manner in which first and last trading days for options are set

Trading in an option series with a new expiry date within a class commences on the first trading day following the expiry date of the previous series.

Trading in an option series whose expiry date is the expiry date of a series still in trading commences on the day of introducing the series to trading, according to the rules set out in the box "Exercise price" of the standard specification of options.

The Exchange Management Board may decide to introduce additional option series to trading. Information on introducing additional option series is disclosed to the public no later than on the trading day preceding the introduction.

Trading in an option series ends on the third Friday of the expiry month for the series.

3.5 Manner in which the settlement value of options is determined

The settlement value of an option series is the basis for the determination of the amount of the cash payment due to the option buyer at the option exercise date. The settlement value is determined at the expiry date and it is equal to the settlement price times the multiplier. The settlement price is determined at the expiry date and it is equal to the arithmetic mean of all values of the WIG20 index in the last hour of the continuous trading phase and the value of the WIG20 index determined at the closing of the trading session.

3.6 Manner in which the exercise price of options is determined and published

The exercise price of an option series is determined by the Exchange and published on the trading day preceding the first day of trading in the option series. The exercise price of an option series is determined according to the rules set out in the box "Exercise price" of the standard specification of options.

3.7 Option exercise date

The exercise date of an option series is the last day of trading in the option series. It is the date of expiry of the option, i.e., the day on which the settlement price is determined.

3.8 Option expiry date

The expiry date of an option series is the day on which the settlement price is determined. According to the standard specification of options, it is the last day of trading in the option series.

3.9 Basic option trading rules

3.9.1 Exchange trading in options

Options are traded on the main market operated by the Exchange in accordance with the Exchange Rules and other regulations governing the market.

3.9.2 Admission of options to exchange trading

1. The Exchange Management Board decides on the admission of options to exchange trading.
2. Options are admitted to exchange trading by having their standard specification determined, and on condition that their trading rules have been approved by PFSA and disclosed by the Exchange to the public.

Options subject to this document were conditionally admitted to trading on the exchange in Resolution No. 11/977/2003 of the Exchange Supervisory Board of 19 February 2003 (as amended).

3.9.3 Introduction of options to exchange trading

The Exchange Management Board shall decide on the introduction of options to exchange trading.

3.9.4 Detailed option trading rules

Detailed trading rules for options are set out in the Detailed Exchange Trading Rules.

3.9.5 Amendments to the Exchange Rules or other exchange regulations relating to option trading

1. The Exchange Supervisory Board has the power to decide by resolution on amendments to the Exchange Rules.
2. As per Article 29 of the Trading Act, the consent of PFSA is required for any amendments to the Exchange Articles of Association and to the Exchange Rules. PFSA shall refuse its consent to any amendments to the Articles of Association and the Rules if the proposed amendments are in breach of law or may violate the security of trading.

3. Amendments to the Detailed Exchange Trading Rules to the extent of the option trading rules, referred to in point 3.9.4, should be disclosed to the public at least 2 weeks before their effective date.

3.9.6 Parties to an exchange transaction

1. Only an exchange member and, in situations described in the Exchange Rules, KDPW_CCP may be a party to an exchange transaction.
2. General exchange membership rules are laid down in the Exchange Rules.

3.10 Standard specification of options

1) The standard specification of call options and put options on the Warsaw Stock Exchange Large-Cap Index WIG20 defined in Resolution No. 11/977/2003 of the Exchange Supervisory Board dated 19 February 2003 (as amended) as at the date of updating of these Trading Rules is as follows:

Abbreviated name of option	OXYZkrrcccc Where: O – type of instrument, XYZ – code standing for name of underlying instrument (as per the Exchange Management Board resolution), k – option type and expiry month code (as per the Exchange Management Board resolution), rr – two last digits of expiry year, cccccc – exercise price
Option code	Assigned by the clearing entity in accordance with the ISIN standards
Option type	Call options and put options
Option class	Comprises all options on the same underlying instrument having the same standard specification
Option series	All options of the same class and type, having the same expiry date and the same exercise price
Option style	European – exercisable only on the expiry date
Underlying instrument	WIG20
Multiplier	PLN 10 per index point
Option value	Product of option price and multiplier
Transaction value	Product of option value and transaction volume
Quotation unit	Index point
Expiry months	Three nearest calendar months + three subsequent months of the March quarterly cycle (March, June, September, December).
Expiry date	Third Friday of the expiry month for the series. If such day is not a trading day according to the Exchange calendar, the expiry date shall fall on the last trading day before the third Friday of the expiry month
Last trading day	Expiry date

<table>
<tr>
<td>Exercise price</td>
<td>
It is equal to the value of the underlying used to determine the settlement balance based on the multiplier.

1. Differences between exercise prices of the different series of options are as follows:

<table>
<tr><th>Expiry date</th><th>Exercise price
(in index points)</th><th>Differences between exercise prices
(in index points)</th></tr>
<tr><td rowspan="3">Options with the nearest expiry date</td><td>from 5 to 475</td><td>5</td></tr>
<tr><td>from 480 to 990</td><td>10</td></tr>
<tr><td>at least 1000</td><td>25</td></tr>
<tr><td rowspan="3">Options with the two subsequent expiry dates</td><td>from 10 to 470</td><td>10</td></tr>
<tr><td>from 480 to 980</td><td>20</td></tr>
<tr><td>at least 1000</td><td>50</td></tr>
<tr><td rowspan="3">Options with the three farthest expiry dates</td><td>from 20 to 460</td><td>20</td></tr>
<tr><td>from 480 to 960</td><td>40</td></tr>
<tr><td>at least 1000</td><td>100</td></tr>
</table>

2. The following are introduced to trading on the first trading day after the expiry date of the series which expire in January, February, April, May, July, August, October, November:

2.1. option series which expire on the new expiry date in the third calendar month after the expiry date of the previous series with the following exercise:

2.1.1. one series with an exercise price that is nearest to the closing value of the underlying instrument at previous session; where the closing value of the underlying instrument at previous session is the arithmetic mean of two nearest exercise prices, the higher of the two shall be deemed the exercise price for the series,

2.1.2. eight series with an exercise price that is higher than the exercise price as specified in point 2.1.1.,

2.1.3. eight series with an exercise price that is lower than the exercise price as specified in point 2.1.1.;

2.2. option series which expire on the nearest expiry date with such exercise prices that the differences between all exercise prices for that expiry date are consistent with the rules set out in the table referred to in point 1.
</td>
</tr>
</table>

	3. The following are introduced to trading on the first trading day after the expiry date of the series which expire in March, June, September, December: 3.1. option series which expire on the new expiry date in the twelfth calendar month after the expiry date of the previous series with the following exercise prices: 3.1.1. one series with an exercise price that is nearest to the closing value of the underlying instrument at previous session; where the closing value of the underlying instrument at previous session is the arithmetic mean of two nearest exercise prices, the higher of the two shall be deemed the exercise price for the series, 3.1.2. four series with an exercise price that is higher than the exercise price as specified in point 3.1.1., 3.1.3. four series with an exercise price that is lower than the exercise price as specified in point 3.1.1.; 3.2. option series which expire on the nearest and the third expiry date with such exercise prices that the differences between all exercise prices for that expiry date are consistent with the rules set out in the table referred to in point 1. 4. In addition to the option series referred to in points 2 and 3, option series are introduced to trading on such dates and with such exercise prices that at least the following are in trading at the same time: 4.1. for the nearest expiry date: 4.1.1. one series with an exercise price that is nearest to the closing value of the underlying instrument at previous session; where the closing value of the underlying instrument at previous session is the arithmetic mean of two nearest exercise prices, the higher of the two shall be deemed the exercise price for the series, 4.1.2. sixteen option series with exercise prices higher than the exercise price as specified in point 4.1.1., 4.1.3. sixteen option series with exercise prices lower than the exercise price as specified in point 4.1.1.; 4.2. for the two subsequent expiry dates: 4.2.1. one series with an exercise price that is nearest to the closing value of the underlying instrument at previous

	session; where the closing value of the underlying instrument at previous session is the arithmetic mean of two nearest exercise prices, the higher of the two shall be deemed the exercise price for the series, 4.2.2. eight option series with exercise prices higher than the exercise price as specified in point 4.2.1., 4.2.3. eight option series with exercise prices lower than the exercise price as specified in point 4.2.1.; 4.3. for the three farthest expiry dates: 4.3.1. one series with an exercise price that is nearest to the closing value of the underlying instrument at previous session; where the closing value of the underlying instrument at previous session is the arithmetic mean of two nearest exercise prices, the higher of the two shall be deemed the exercise price for the series, 4.3.2. four option series with exercise prices higher than the exercise price as specified in point 4.3.1 4.3.3. four option series with exercise prices lower than the exercise price as specified in point 4.3.1.; 5. The Exchange Management Board may decide to introduce additional option series to trading. Information on introducing additional option series is disclosed to the public no later than on the trading day preceding the introduction.
Exercise value	Product of exercise price and multiplier
First trading day	1. For the first option series in a class – determined by the Exchange Management Board. 2. For option series referred to in point 2 and 3 of the box "Exercise price" – the first trading day after the expiry date of the previous series. 3. For option series referred to in point 4 of the box "Exercise price" – the day of introducing the series to trading, according to the rules set out in that point. 4. For additional option series – determined by the Exchange Management Board.
Settlement price	The settlement price is determined at the option expiry date and it is equal to the arithmetic mean of all values of the WIG20 index in the last hour of the continuous trading phase and the value of the WIG20 index determined at the closing of the trading session excluding the 5 highest values and the 5 lowest values.
Settlement value	Settlement price times the multiplier

Settlement balance	For a call option, the settlement balance is calculated according to the following formula: c(T) = max{[S(T) – m];0} For a put option, the settlement balance is calculated according to the following formula: c(T) = max{[m – S(T)];0} where: c(T) – settlement balance determined at exercise date, S(T) – settlement value determined at exercise date, m – exercise price, T – exercise date.
Rights of option buyers	The buyer of an option is entitled to exercise his option and require the option writer to pay the settlement balance.
Option exercise rules	Options are exercised automatically on expiry date if: - for call options – settlement price is higher than exercise price for the series, - for put options – settlement price is lower than exercise price for the series. The buyer of an option is entitled to waive automatic exercise.
Settlement date	Next business day after the settlement price is determined.
Settlement method	In cash in PLN.
Special cases	In special cases, in particular in the case of material change, suspension or termination of the provision of the WIG20 index, the Exchange Management Board determines the course of action and immediately discloses it to the public. In particular, the Exchange Management Board may decide to suspend trading in option series or stop the introduction of further option series to trading or set a different last trading day and, after consulting KDPW_CCP, set a different final settlement price for the options.

2) Measures taken following amendments to the standard specification of options on the Warsaw Stock Exchange Large-Cap Index WIG20

The section below presents the measures taken in order to align the trading rules of options with the modifications of the standard specification of WIG20 options approved under Resolution No. 804/2014 of the Exchange Management Board of 14 July 2014.

The boxes "Expiry months" and "Exercise price" have been modified. In the box "Expiry months", two additional months have been added to the option expiry dates. The expiry months before the modification included four nearest months in the cycle: March, June, September, December. The expiry months after the modification include three nearest calendar months + three subsequent months of the March quarterly cycle (March, June, September, December). In the box

"Exercise price", the terms of determining the value and the number of available expiry prices for option series introduced into trading have been modified.

In order to align the trading in WIG20 options with the new expiry dates, option series which expire in October 2014 and in November 2014 were introduced to trading on 18 August 2014. The introduction of the series which expire in those months does not follow from the expiry of previous series. Instead, it follows from the alignment of the trading rules of WIG20 options with the modified standard specification of the options. Following the introduction of option series which expire in the two additional months, option series will be available in trading on the exchange which expire in the following six months:
- September 2014,
- October 2014 (new expiry month),
- November 2014 (new expiry month),
- December 2014,
- March 2015,
- June 2015.

The exercise prices at the first day of trading (18 August 2014) of option series which expire in October 2014 and November 2014 are determined according to point 2.1 in the box "Exercise price" of the standard specification of the options. In addition, option series which expire in September 2014 will be introduced into trading with such exercise prices that the differences between all exercise prices for that date are consistent with the terms defined in the table set out in point 1 of the box "Exercise price" of the standard specification of the options.

3.11 The underlying instrument: WIG20

1. Index profile

The WIG20 index was calculated and published by the Warsaw Stock Exchange till 30 November 2019 based on the value of a portfolio of shares of the 20 biggest and most liquid companies on the main stock market. The initial value of the WIG20 index was 1,000 points.
Starting from the 1 December 2019, the WIG20 index is a benchmark calculated and published by GPW Benchmark, in accordance with the relevant Stock Exchange Index Regulations.
GPW Benchmark is the administrator of capital market benchmarks placed in the register of administrators at www.esma.europa.eu. GPW Benchmark operates as an administrator of stock exchange indices from the Warsaw Stock Exchange (WSE) Main Market, NewConnect and the TBSP market, including WIG20, mWIG40, sWIG80 and WIBOR critical benchmark.
The takeover of the role of index administrator by GPW Benchmark is related to the requirement to comply with the Regulation (EU) 2016/1011 of the European Parliament and the Council issued on 8th June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure fund performance investment (BMR). Compliance with the BMR involves providing an appropriate framework for managing index calculation in line with the requirements of the Regulation.

WIG20 is a price index: it is calculated based only on the prices of underlying shares excluding income from shares (dividends and subscription rights).
The WIG20 index may not include mWIG40 and sWIG80 participants and not more than 5 companies from a single exchange sector.

2. Index calculation principles

$$WIG20 = \frac{\Sigma\ P(i)*S(i)}{\Sigma\ (P(0)*S(0))*\ K(t)} *1000.00$$

S(i) – Weighting of index participant 'i' at a session
P(i) – Price of index participant 'i' at a session
S(0) – Weighting of index participant 'i' at the reference date session
P(0) – Price of index participant 'i' at the reference date session
K(t) - Index adjustment factor at a session
The current calculation methodology of the WIG20 index is available at https://www.gpwbenchmark.pl/en-home

3. Publication principles
Opening value, as long as session transactions allow to price at least 65% of portfolio capitalisation, but not earlier than 1 minute and not later than 1 hour after trade opens. Current values during continuous trading every 15 seconds. Closing value after trade closes at 17:10 (preliminary) and 17:15 (final).

WIG20 index values are available at https://www.gpwbenchmark.pl/en-home

If the cancellation of exchange transactions had an impact on the value of WIG20, then the opening and closing values of the index as well as the daily maximum and minimum values of the index are recalculated and made public following the trading session. During the trading session, GPW Benchmark does not recalculate the index values.

4. Periodic modifications

Modifications to index participants are made after the trading session on the third Friday of March, June, September, and December.

The WIG20 index participants are selected based on data as at four weeks before the third Friday of March (annual revision) and four weeks before the third Friday of June, September, and December (quarterly adjustments).

4.1 Preliminary selection
The WIG20 index may comprise companies which meet the following basic criteria:
- number of shares in free float higher than 10%,
- value of shares in free float higher than EUR 1 million,
- the company cannot be designated in any particular way,
- the company cannot be put on the Alert List or in the Low Liquidity Zone.

4.2 Index ranking

In the first step, companies eligible to participate in the index ranking are selected. Ranking participants are those companies which meet the basic criteria and do not belong to the last quantile of the ranking by free-float capitalisation.

For WIG20, mWIG40 and sWIG80 indices, one joint ranking is developed after the preliminary selection. The selected companies are ranked based on the number of ranking points scored. The ranking score is calculated using the following formula:

$$R(i) = 0.6 * sT(i) + 0.4 * sC(i)$$

R(i) - ranking points scored by company "i"
sT(i) - share of company "i" in total trade of shares participating in the ranking in the last 12 months.
sC(i) - share of company "i" in the value of shares in free float of companies participating in the ranking at the date of its preparation.

4.3 Index participants

The WIG20 index may include companies in the highest positions in the index ranking. Unconditionally, the index includes:

- companies ranked in the 15th position or higher in the annual revision ranking (10th position or higher in the quarterly adjustment ranking);
- no companies ranked in the 26th position or lower in the annual revision ranking (31st position or lower in the quarterly adjustment ranking).

Companies ranked in the 16th-25th positions in the annual revision ranking and in the 11th-30th positions in the quarter adjustment ranking are added to or deleted from the index, if necessary.
The companies that ranked high in the index ranking but were not put on the list of index participants are put on the index reserve list.

The size of weightings is reduced proportionally as at the ranking date if the value of shares of an index participant exceeds 15% of index value.

4.4 Weightings of index participants

Weightings of all index participants are determined based on the number of shares in free float and rounded off to the nearest whole thousand. If the number of shares in free float is greater than the number of shares introduced into stock exchange trading, then the weighting is the number of shares introduced into stock exchange trading.

The weighting of an index participant is modified if the participant's number of shares in free float used to calculate the weighting increases or decreases by a number of shares worth the PLN equivalent of at least EUR 250 million.

For foreign companies that are also listed on foreign exchanges (dual listing), shares in free float are calculated as a product of such shares and the ratio of their traded volume on GPW and on the foreign market. If the value is less than the median of shares deposited with KDPW for a period of three months, then the number of shares in free float is equal to the median.

5 Extraordinary modifications

5.1 Entering a company into the list of index participants

A new company is entered into the list of index participants when the company has an IPO with a capitalisation of free-float shares at the IPO date equal to at least 5% of the capitalisation of the free-float shares of all WIG20 companies at such date. A former index participant that was ranked in the lowest position in the latest ranking is deleted from the index.

The weightings of index participants are determined pursuant to the principles of periodic modifications. At the date of entering a new company into the list of index participants, the index adjustment factor is recalculated:

$$K(t) = \frac{M(t)+Q(t)}{M(t)} * K(t')$$

M(t) - capitalisation of index portfolio before modification
Q(t) - value of weighting of new index participant
K(t) - new value of adjustment factor
K(t') - previous value of adjustment factor

5.2 Deleting a company from the list of index participants

In special cases, an extraordinary adjustment of index participants may be carried out to delete a company from the list of index participants.

The deleted company is replaced by a company in the highest position on the reserve list. If the index already comprises five companies from a single sector, then the new company has to represent another sector. Following the extraordinary modification, the index adjustment factor is recalculated using the formula presented below:

$$K(t) = \frac{M(t)-Z(t)}{M(t)} * K(t')$$

M(t) - capitalisation of index portfolio before modification
Z(t) - value of weighting of a company deleted from the list of index participants
K(t) - new value of adjustment factor
K(t') - previous value of adjustment factor

5.3 Change of weightings of index participants

The weightings of index participants are changed if:

- two or more index participants have merged,
- an index participant has been split into two or more companies.

The change of the weighting of a participant involves the summing up of the weightings of previous index participants in case of a merger, or their split in the case of a spin-off:

S(i) = S(i1) + S(i2)

S(i) – new number of shares of participant "i" in index portfolio
S(i1) – previous number of shares of participant "i1" in index portfolio
S(i2) – previous number of shares of participant "i2" in index portfolio

5.4 Modifications driven by market transactions

Indices are modified pursuant to the following market transactions:

- share split,
- subscription right.

In the event of a share split of an index participant, the modification of an index involves the determination of a new weighting of the index participant using the following formula:

S(i) = S(i') * N

S(i) – new number of shares of participant "i" in index portfolio following the split
S(i') – previous number of shares of participant "i" in index portfolio
N – split ratio

The subscription right within the WIG20 price index involves the deletion of a company from the index during the first "without subscription right" trading session if the price of "without subscription right" shares quoted for the first time is less than the last closing price.

The specific principles governing the structure and publication of stock exchange indices and sub-indices (including WIG20) are available at https://www.gpwbenchmark.pl/en-home

The Exchange shall not be liable for any loss incurred by trading participants due to any delay, suspension or incorrect publication of the index value during a session or due to discontinuation of index computation.

3.12 Taxes

3.12.1. Personal income tax

Income earned in the Republic of Poland by natural persons from a sale for consideration of futures contracts and exercising rights arising from such contracts is subject to taxation under special rules at a rate of 19%.

Detailed taxation rules for such income are specified in the Personal Income Tax Act of 26 July 1991 (consolidated text: Journal of Laws [*Dziennik Ustaw*] of 2026, item 592, as amended).

3.12.2. Corporate income tax

Income earned in the Republic of Poland by corporate entities from a sale for consideration of futures contracts and exercising rights arising from such contracts is subject to taxation under general rules specified in the Corporate Income Tax Act of 15 February 1992 (consolidated text: Journal of Laws [*Dziennik Ustaw*] of 2026, item 554, as amended).

The information above is general and does not constitute tax advisory services. In order to clarify details of tax matters, potential investors should engage authorised tax advisors.

3.13 Amendments to the Trading Rules

1. The Exchange must submit any amendment to the Trading Rules to the Polish Financial Supervision Authority and disclose it to the public.

4. Exhibit: Clearing guarantees

According to the Co-operation Agreement of 12 April 2013 (as amended) concluded by and between the Warsaw Stock Exchange (GPW), the Central Securities Depository of Poland (KDPW) and KDPW_CCP S.A.

4.1. Clearing options

(1). KDPW_CCP is the entity authorised to clear WIG20 options and to organise and manage the clearing guarantee system.

(2). Once a derivatives transaction is recorded, KDPW_CCP becomes a counterparty to the clearing of the transaction. The other counterparty to the clearing are clearing members acting on the account of clients or on their own account.

(3). Only KDPW_CCP participants may be clearing members.

(4). KDPW_CCP participants are eligible to operate derivatives accounts.

(5). A client may only engage in business operations on the derivatives market after it has opened a derivatives account with an entity authorised to operate derivatives accounts and KDPW_CCP has granted it, on request of the relevant clearing member, a client classification number (NKK). This condition shall not apply to clients holding an assigned client classification number.

(6). As part of the clearing process, KDPW_CCP:

a) records transactions and other operations involving options executed during the day;

b) calculates debits and credits in respect of clearing of premiums per clearing account;

c) calculates debits and credits in respect of clearing of option exercise per clearing account;

d) calculates debits and credits in respect of margins per account cleared by the clearing member;

e) performs a net of the clearing member’s credits and debits vis-à-vis KDPW_CCP, the net being the sum of debits and credits computed for clearing accounts and collateral accounts assigned to the clearing member.

(7). KDPW_CCP manages the clearing guarantee system for options. For this purpose, KDPW_CCP sets up and manages the clearing liquidity guarantee system described in KDPW_CCP regulations.

4.2. Exercising options

4.2.1 Exercise of options on expiry.

(1). Options are exercised at the expiry date automatically if the option is “in the money”, i.e.:

a) for call options – the settlement value for a series is greater than the exercise value for the series,

b) for put options – the settlement value for a series is less than the exercise value for the series.

(2). Clients holding a long position in options may waive the exercise of an option by giving a notice to the participant operating its derivatives account. Waiver of the exercise of an option is effective if the clearing member submits the notice of waiver to KDPW_CCP in the procedure set out in the Detailed Rules of Transaction Clearing (organised trading).

(3). At the expiry date of an option series, an option writer is assigned to each waiver notice submitted after current day transactions have been recorded.

4.2.2 Clearing of exercised options

(1). The amount due on the automatic exercise of an option is determined at the option expiry date.

(2). On the exercise of an option, the holder of a short position is debited and the holder of a long position is credited with the settlement balance.

(3). The settlement balance is determined on the basis of the settlement value and the exercise value as follows:

For a call option, the settlement balance is calculated according to the following formula:
$c(T) = L \times [S(T) - m]$

For a put option, the settlement balance is calculated according to the following formula:
$c(T) = L \times [m - S(T)]$

where:
$c(T)$ – settlement balance,
$S(T)$ – settlement value,
m – exercise price,
L – number of options

4.2.3 Assignment of option writer to submitted notices of waiver of option exercise

(1). Clients holding a short position in options are selected randomly following the submission of a notice of waiver of option exercise subject to the principle of reducing the number of accounts participating in the execution of each waiver of option exercise.

(2). Clients holding a short position of the same clearing member are selected in the first place.

(3). If the number of options whose exercise is to be waived is greater than the number of short positions of a clearing member, writers are selected randomly among other clearing members.

4.3. Guaranteeing the clearing of options

4.3.1 Initial deposit

(1). Every clearing member must post an initial deposit with KDPW_CCP. No clearing member will be allowed to clear any transaction on the derivatives market until this deposit has been posted. This requirement does not apply where the clearing member has posted the required initial deposit with KDPW_CCP in connection with the clearing of other derivatives.

(2). KDPW_CCP sets out the minimum initial deposit requirement. The deposit may be covered by cash or securities collateral approved by KDPW_CCP.

(3). After a clearing member posts the initial deposit, they will be entitled at any date to open positions in derivatives cleared by them, provided always that the total value of these positions must be computed in accordance with the appropriate KDPW_CCP regulations contained in the Detailed Rules of Transaction Clearing (organised trading) available on the KDPW_CCP website (www.kdpwccp.pl).

(4). The purpose of the initial deposit is to hedge the risk of the clearing member's default in due payment to KDPW_CCP of margins securing the member's derivatives positions and the risk of their default in due payment of their liabilities resulting from the daily marking to market.

4.3.2 Margin

The value, method and manner of posting and replenishment of the margin by investors are determined, subject to KDPW_CCP regulations, by:

a) Investment firms, in the derivatives buy or sell order execution rules;

b) Custodian banks, in the derivatives account operating rules.

4.3.3 KDPW_CCP initial margin

1. The initial margin to be posted by a clearing member with KDPW_CCP is the sum total of all the initial margin requirements computed for the individual collateral accounts of that clearing member, as per the rules laid down by KDPW_CCP.
2. The clearing system records initial margins posted to secure positions recorded in collateral accounts as per the account structure defined by the clearing member.
3. The amount of the initial margin required from a member is determined using risk parameters established in accordance with the Detailed Rules of Transaction Clearing (organised trading), in relation to the member's obligations arising from the transactions whose clearing is secured by that margin (the member's exposure), for the purpose of:
   1/ covering the member's potential future exposure following the identification of the member's default,
   2/ reflecting the member's current exposure resulting from actual changes in market prices,
   3/ covering the risk arising from the liquidity of financial instruments and the concentration of positions in relation to the member's exposure, and
   4/ covering the risk arising from the correlation between the member's exposure and the member's credit risk.
4. Risk parameters are distributed daily to participants in KDPW_CCP messages
5. An initial margin may be covered by cash or securities accepted by KDPW_CCP.
6. Non-cash collateral (securities) may cover the part of the initial margin determined as a percentage by KDPW_CCP.
7. Financial instruments deposited as collateral are subject to transfer of title according to KDPW_CCP regulations.

4.4. Limits

In order to ensure the safety of trading, KDPW_CCP may impose appropriate limits, in accordance with KDPW_CCP regulations.

4.5. Clearing option premiums

Option premiums are cleared on a T+1 basis.

4.6. Clearing Fund

(1). The Clearing Fund is created at KDPW_CCP under Articles 65-67 and Article 48.7 of the Trading Act.

(2). The Clearing Fund secures obligations arising from KDPW_CCP's clearing of transactions made on the regulated market and potential default in respect of such transactions. The Clearing Fund is funded by payments from clearing members.
The detailed rules of participation in and use of the Clearing Fund are set out in the Clearing Fund Rules and the Rules of Transaction Clearing (organised trading) available on the KDPW_CCP website (www.kdpwccp.pl).

4.7. Breach of the rules of participation by a clearing member

(1). In the event that a clearing member is in a breach of the rules of participation in the KDPW_CCP clearing system, in particular fails to meet the day's liabilities as computed by KDPW_CCP, KDPW_CCP will start closing the clearing member's positions in accordance with the Rules of Transaction Clearing (organised trading) and for that purpose KDPW_CCP will use the resources of the clearing liquidity guarantee system.

(2). (2). KDPW_CCP uses appropriate resources in order to clear transactions to which a member who is in breach of the rules of participation in the clearing system is a party, in the manner set out in the Rules of Transaction Clearing (organised trading). The order and manner in which such appropriate resources are used are presented on the KDPW_CCP website (www.kdpwccp.pl).

(3.) According to the Rules of Transaction Clearing (organised trading), margins may only be used to meet liabilities arising from positions recorded in clearing accounts linked by the participant to the collateral account in which such margins are recorded unless the margin is recorded in a collateral account linked to an own position account.