



INFORMATION BROCHURE ON MiFID REQUIREMENTS FOR CLIENTS OF BANK MILLENNIUM S.A.

Dear Client,

we appreciate that you want to enter the world of investments with us. However, before you use the investment services provided by the Bank, we would like to present you some information required for informed investment decisions.

We implemented the brochure you are reading right now in accordance with the requirements of MiFID II and Polish acts of law adopted on the grounds of the Directive. The Directive contains information about the Client's rights and the Bank's duties. Its main objective is to provide Clients a more effective investment protection.

We hope that our brochure will help you understand how the Bank fulfils its duties as regards, i.a.:

- classification assignment,
- assessment of appropriateness and target group,
- counteracting conflict of interest,
- information about costs and fees.

Should you have any questions or doubts, please contact the Bank:

- at Bank branches,
- by info line (for the numbers of individual business lines see the last but one page of this brochure).

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I. WHAT IS MIFID II?

MiFID II is European Directive that was implemented in order to:

- improve protection of the Clients investing in financial products and instruments,
- increase trust for financial markets,
- ensure transparency of the Bank's operations.



II. WHAT LAWS REGULATE THE BANK'S DUTIES?

MiFID II includes numerous regulations from:

1. the European law, i.a.:

- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU,
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

2. the Polish law, i.a.:

- Act of 29 July 2005 on Trading in Financial Instruments,
 - Act of 29 August 1997 - the Banking Law
- and numerous executive regulations.



III. WHAT INSTRUMENTS / FINANCIAL PRODUCTS / INVESTMENT SERVICES ARE IN THE BANK'S OFFER?

Below we present the Bank's offer of financial instruments and products, and investment services for different Client segments.

Below please find the list of **financial instruments and products** (the current list is available in the Bank's branches and on the Bank's website):

		Business Clients	Individual Clients	Prestige Clients	Private Banking Clients	Corporate Banking Clients
Mutual funds	Participation units of Polish funds	x	x	x	x	
	Participation titles of foreign funds			x	x	
	Investment certificates of closed investment funds				x	
Structured deposits			x	x	x	
Debt securities	Bank securities / Structured bank securities			x	x	
	Bonds: corporate, municipal, treasury and treasury bills			x	x	x
Shares admitted to organised trading					x	
Combined products (e.g. term deposit with investment fund)			x	x	x	
Derivative instruments	Forward foreign exchange transactions					x
	FX Swaps					x
	FX options					x
	Exotic FX options					x
	Forward Rate Agreements (FRA)					x
	Interest Rate Swaps (IRS)					x
	Interest rate options					x
	Cross Currency Interest Rate Swaps (CIRS)					x

Below please find the list of the **investment services** provided by the Bank:

	Business Clients	Individual Clients	Prestige Clients	Private Banking Clients	Corporate Banking Clients	Client who is a security issuer
Acceptance of Client's orders to buy or sell financial instruments and their transfer to the entities executing orders	x	x	x	x		
Purchase and disposal of financial instruments on the Bank's own account, also in order to execute Client's orders			x	x	x	
Offering of securities						x

That's not all - the Bank may also:

- provide Clients generic advice,
- provide commercial publications on the market (prepared by the Bank or upon the Bank's request),
- keep securities accounts within dedicated custodial activity (in accordance with separate regulations),
- keep current accounts (in selected currencies), for settling the transactions in financial products and instruments,
- finance investments.

The Bank has the right to collect fees or commissions for provision of the above services.



IV. HOW CAN I PLACE AN ORDER / CONCLUDE A TRANSACTION?

An order can be placed (depending on products and instruments available in particular channels in accordance with relevant regulations):



Personally in the Bank's branches
(exclusively in the Bank's own branches)



Over the phone



In Millenet

and in case of Corporate Banking Clients by means of the communication channels defined in the agreement as regards financial instruments offered by the Treasury Department of the Bank.

Placing an order by phone or in Millenet requires:

- 1) conclusion of agreement on access to services through Electronic Banking Channels (KBE),
- 2) consent for submission of the information required by the law and addressed directly to you,
- 3) consent for submission of the information of general nature, not addressed directly to you - i.e. for instance through the Bank's website.



V. WILL MY ORDER BE ALWAYS EXECUTED?

The Bank may refuse to execute the order, for instance in case when:

- there are no data required for its performance (e.g. transaction type, price or execution deadline),
- the order is internally contradictory,
- the order is unclear or equivocal,
- the Bank has doubts as to the identity of the person placing the order,
- the Bank has doubts as to the scope of powers of the person placing the order (e.g. scope of the power of attorney),
- no sufficient funds have been made available for execution of the order,
- the Bank's systems fail essential to execute the order.

If such a situation occurs - we will inform you immediately and state the cause of the rejection.



VI. WILL I RECEIVE CONFIRMATION OF ORDER EXECUTION?

Yes, the Bank will provide you a confirmation of order execution. You will receive it as soon as possible, not later than until the end of the next business day following execution of the order.

If it is not the Bank that executes the order, you will receive the confirmation of its execution from **the entity responsible for its performance**. For example:



You place an order to purchase a financial instrument (e.g. investment fund participation units) **at the Bank**.

The Bank accepts and transfers the order to **the entity** (e.g. investment fund company - TFI), that performs the order.

The entity performing the order (e.g. TFI) will provide you confirmation of order execution.

Irrespective of who performs the order, upon your request the Bank will provide you a status execution update.



VII. WHAT IS CLIENT CLASSIFICATION?

Before starting provision of financial services the Bank classifies the Client to one of the three following groups:

1

Retail Client



is covered with **the highest scope of protection**, for this reason the Bank assigns to this category all the Clients:

- 1) **Individual Clients**,
- 2) **Prestige Clients**,
- 3) **Private Banking Clients**,
- 4) **Business Clients**,
- 5) Corporate Banking Clients, if he has not been classified as Professional Client.

The Bank classifies Corporate Banking Clients as Retail Clients, if they do not fulfil at least two of the below conditions:

- 1) balance sheet total of a given entrepreneur is at least EUR 20 000 000,
- 2) the value of the net turnover achieved by a given entrepreneur is at least EUR 40 000 000,
- 3) own capital (funds) of a given entrepreneur is at least EUR 2 000 000.

2

Professional Client



is covered with **a lower scope of protection** than Retail Client.

Professional Clients have proper level of investment knowledge and experience.

The Bank assigns the category of Professional Client to the entities:

- 1) indicated in the Act on Trading in Financial Instruments or
- 2) upon Client's request in case of fulfilment of certain conditions:
 - a. as regards **financial instruments** the principles are defined in par. 5 of the Regulation of the Minister of Finance of 30 May 2018 in the matter of procedure and conditions of actions of investment companies, banks, mentioned in art. 70 sect. 2 of the Act on trading in financial instruments, as well as custodian banks,
 - b. as regards **structured deposits** the principles are defined in par. 5 of the Regulation of the Minister of Finance of 21 January 2019 in the matter of provision of services by banks relative to structured deposits.

3

Eligible Counterparty



is covered with **the lowest scope of protection** from among all categories.

Eligible Counterparties have broader knowledge and experience in investing and operation of financial markets.

The Bank assigns the category of Eligible Counterparty to:

- 1) the entities indicated in Art. 3 item 39d) of the Act on Trading in Financial Instruments,
- 2) upon Client's request on the principles set forth in the Act,
- 3) Client from another member state who has a status of eligible counterparty in accordance with the regulations of the member state in which he has his seat or domicile.



VIII. CAN I CHANGE THE CLASSIFICATION?

Yes - as a Client, you are entitled to apply for a change in the classification:

- From a higher category into a lower one (e.g. from Professional Client to Retail Client, from Eligible Counterparty to Professional Client or Retail Client)

The change implies increase in the protection level.

- From a lower category into a higher one (e.g. from Retail Client to Professional Client, from Professional Client to Eligible Counterparty).

The change implies reduction of the protection level! The Bank may refuse to approve upgrade of Client's category.

If you want to change Client's category, you have to apply in writing. Apart from the application, the Bank may request you to submit additional documents such as account statements, employment certificates, civil-law agreements defining the scope of duties or adequate documents - they will be required for the application review. You should file your application for classification change on the form prepared by the Bank.

After analysis the Bank will inform you about its results.

Remember! You are obliged to submit information on the data changes with impact on the possible change of your classification.



What does a change in the Client category to Professional Client or Eligible Counterparty mean for you?

- We will not conduct adequacy assessment - the Bank will conclude that you have proper level of investment knowledge and experience,
- If you are classified as Eligible Counterparty, we will not provide you document „*Policy of execution of orders and acting in the Client's best interest in Bank Millennium S.A.*”.



IX. WHAT IS SIGNIFICANT VALUE?

If you apply for change of classification (referred to earlier), apart from additional documents we may ask you for such information as the value of your assets, professional experience in investments or transactions of significant value.

The term “significant value” is used to determine whether a Customer may be included in the Professional Customer category upon his demand. Pursuant to the regulations the Bank must determine what value it deems significant.

The Bank's Management Board defines significant value independently for:

- structured deposits,
- financial instruments.

Information on significant value is posted on an ongoing basis on the Bank's website www.bankmillennium.pl in MiFID section and is available at the Bank's branches.



X. WHAT IS APPROPRIATENESS AND TARGET GROUP?

On the grounds of the information provided by you, the appropriateness examination process determines whether your knowledge and experience is sufficient for independent assessment of investment risk related to financial product or instrument.



And in turn, examination of the target group is determination, whether a given financial product or instrument complies with your characteristics, objectives and needs.

If a financial product or instrument for which you want to place your order, is:

- inappropriate or the Bank has no sufficient information to perform assessment or
- not consistent with your characteristics, objectives or needs,

the Bank will give you an appropriate warning before the transaction.

Product, that is not consistent with your needs / characteristics / objectives, may be purchased exclusively on your initiative!



A. Individual / Prestige / Private Banking / Business Clients

Appropriateness and compliance with needs, characteristics and objectives is examined with a Test.

The test is conducted:

- before start of provision of investment services,
- at any moment upon Client's request,
- after expiry of the Test, i.e. upon the first order filed after elapse of **24 months** from the previous assessment.

For additional protection of Client's interest, the Bank covers with appropriateness assessment also insurance-investment products.

You may update the Test:



At a Bank branch dedicated to services for a given Client



In Millenet (exclusively for Individual / Prestige / Private Banking Clients)

B. Corporate Banking Clients



In this segment, appropriateness is also assessed through filling out the Test.

The test is conducted:

- before start of provision of investment services,
- at any moment upon Client's request,
- after expiry of the Test, i.e. when granting or renewing treasury limit after elapse of 24 months from the previous assessment or earlier.



The Bank examines, whether a given financial instrument is consistent with your characteristics, objectives and needs on the grounds of the information on:

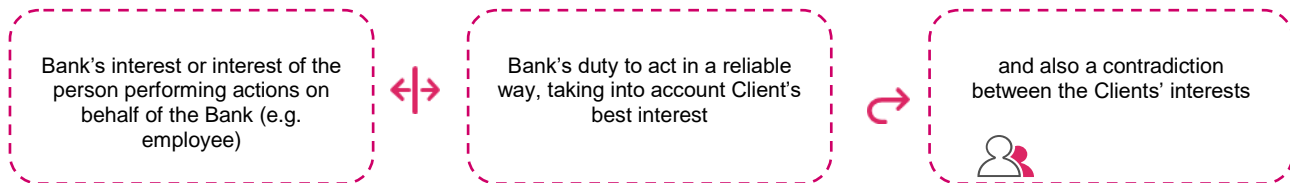
1. current classification,
2. knowledge and experience,
3. capacity to incur losses and your financial situation,
4. risk tolerance,
5. your investment objectives.

If the above assessment demonstrates that the product is not consistent with your characteristics, objectives and needs, the Bank shall refuse to conclude the transaction.



XI. WHAT IS CONFLICT OF INTEREST AND HOW THE BANK PREVENTS IT?

Conflict of interest is a situation when there is a contradiction between:



How does the Bank deal with conflicts?

Firstly – analysis. In order to properly manage conflicts, the Bank must know what may cause them, for instance:

- **the Bank's** opportunity to obtain profit at the expense of loss incurred by **the Client**,
- focussing exclusively on the Bank's benefits at the expense of **the Client**,
- conducting by the **Bank** or its employees a competitive activity or activity similar to that of **the Client**,
- accepting by **the Bank** other considerations than standard fees or commissions for the services performed for **the Client**.

Secondly – identification. After a well-executed analysis the Bank knows what conflicts of interest may arise in its operations, in particular:

- the Bank's employee recommends the Client to buy a product that does not meet Client's needs - the employee knows that by selling this product, the Bank will obtain higher income,
- the Bank grants financing to the company whose shares it then recommends to its Clients - on the one hand the Bank knows the condition of the company, and on the other hand it sees no obstacles to selling the company's shares to Clients,
- the Bank recommends to its Client purchase of a specific financial instrument, however it gets rid of it, considering it too risky or loss making.

Thirdly – prevention. How does the Bank prevent identified conflicts?

- The Bank provides protection of the information classified as confidential or professional secret,
- the Bank does not accept and does not provide specific considerations that may be considered as prohibited,
- the Bank defines the principles on which its employees may perform transactions on financial instruments,
- the Bank employs experienced employees and supervises them on an on-going basis.

Fourthly – assessment. No system is perfect, the same applies to conflict management. Therefore, at least once a year, the Bank reviews the system and assesses its effectiveness.

Fifthly – conflict disclosure. Sometimes, even despite the best efforts of the Bank, some conflicts cannot be avoided. You will get such information about conflict on a durable medium (e.g. on paper).

What will such information contain?

- detailed description of the conflict,
- general nature and source of the conflict,
- description of the risk threatening the Client as a result of the conflict and steps taken by the Bank to limit the conflict.

If you are not our Client yet, then before concluding an agreement you must confirm receipt of such information. Otherwise we cannot conclude an agreement with you.

If you are already our Client and you receive this information during the term of the agreement, you must confirm your willingness to continue the agreement. Until then we will have to suspend provision of the services related to the conflict.

Would you like to learn more about conflicts of interest and their management by the Bank? Please read *“Policy for counteracting conflicts of interest at Bank Millennium S.A.”* – we will provide it at your request.



XII. WHEN WILL I RECEIVE INFORMATION ABOUT COSTS?

The Bank will submit information about the costs and collected considerations:

- before conclusion of the transaction or agreement (in case of Corporate Banking Clients) - the Bank shows the estimated costs,
- once a year - the Bank provides information about the costs actually incurred by you in a given year (and the considerations the Bank charged to improve the quality of services provided).

Reports are submitted on a durable medium, e.g. paper or in the Millenet, if you have agreed to this.

If you want to learn more about the fees, commissions and other considerations, please review *„Policy of acceptance and transferring of fees, commissions and non-monetary considerations in Bank Millennium S.A.”*, available on www.bankmillennium.pl website and at the Bank's [branches](#).



XIII. HOW CAN I FILE A CLAIM AND WHEN WILL I GET THE RESPONSE?

You may file your claim:



Personally, at the Bank's branches (in writing or orally)



Over the phone (on the info line indicated below)



In Millenet and in Mobile Application



By mail (to the address of the Bank's head office, with annotation "Claims")

In the claim you should state your identification data and expectations regarding the claim.



CLAIM PROCESSING TIME

The Bank shall process your claim as soon as possible, not later than **within 30 days** from receipt of the claim by the Bank.

We will reply to your claim in writing or by means of another durable information carrier. Upon your request we may reply by means of email or text message.

In particularly complex cases, the term allocated for claim processing may be extended but not more than up to 60 days. In such a case, we will inform you accordingly indicating:

- expected date for reply delivery,
- reasons of the delay,
- the circumstances, which must be yet determined to process the claim.

The Client has an option to file claim directly to the Bank or file the case to general court.



Moreover, if you are:

- Individual / Prestige / Private Banking Client or
- Client who is a natural person, a sole trader or a partner in civil law partnership,

you have the right to file the case to:

- Banking Consumer Arbitration, which operates at the Polish Bank Association and was appointed to settle disputes between clients of banks and the banks,
- City and County Consumer Ombudsmen,
- Financial Ombudsman.



XIV. DOES THE BANK REGISTER TELEPHONE CALLS AND EMAIL CORRESPONDENCE?

The Bank registers all telephone calls and correspondence (including e-mails) between the Client and the Bank, which end or may end with placing an order.

Upon your request the Bank will provide you the copy of conversation recordings or correspondence. You may submit your request within a period of five years and the period for filing requests starts on the first day of the new year after the registration (unless otherwise required by the law), e.g., if you filed

your request on May 23, 2018, the 5-year period starts on 1 January 2019.

The right to request submission of the copy of conversation recordings or correspondence concerns the records made since 3 January 2018.

Remember! The Bank may charge a fee, as per the Price List, for providing registered communication.



XV. WHAT WILL I FIND IN THE REGULATIONS AND PRICE LISTS?

Proper regulations and price lists define i.a.:

- amounts and principles for collecting fees and commissions,
- principles of the Bank's operations for individual financial instruments and products,
- summary description of the actions taken by the Bank to protect assets stored within the dedicated custody activity,
- information on the security systems used for stored and registered assets,
- detailed principles for accepting and processing claims.

XVI. INFORMATION ABOUT THE BANK

1. Full Name of the Bank and the name of the dominant entity in the Capital Group to which the Bank belongs

1- NAME OF THE BANK

Bank Millennium Spółka Akcyjna with head office located in Warsaw, ul. Stanisława Żaryna 2A, entered into the Register of Entrepreneurs of the National Court Register maintained by District Court for the Capital City of Warsaw, XIII Economic Division of the National Court Register under the number KRS 0000010186, NIP 526-021-29-31. Equity PLN 1 213 116 777.00, paid in full.

The Bank was established in the form of a joint stock company on 7 June 1989, initially under the name of Bank Inicjatyw Gospodarczych BIG S.A. (BBG). In 1997 BIG merged with Bank Gdański S.A. and the business name was changed to BIG Bank GDAŃSKI S.A. (BBG). On 23 December 2002 the Bank's business name was changed to its current form - Bank Millennium S.A.

2- SHAREHOLDING

The Bank is a public company whose shares are traded on the main floor of the Warsaw Stock Exchange. **The dominant entity of Millennium Bank Capital Group is Banco Comercial Português with head office in Lisbon.**

Current information about the Millennium Bank Capital Group is available on the Bank's website.

2. Client direct contact with the Bank



Bank Millennium S.A.
ul. Stanisława Żaryna 2A
02-593 Warsaw

3. Client communication channels at the Bank

To contact the Bank, the Client can use the following telephone numbers:

Individual Clients

801 331 331 (from fixed lines)
+48 22 598 40 40 (from mobile phones and from outside Poland)

Private Clients Banking

801 115 115 (from fixed lines)
+48 22 598 40 41 (from mobile phones and from outside Poland)

Prestige Clients

801 127 000 (from fixed lines)
+48 22 598 41 33 (from mobile phones and from outside Poland)

Corporate Clients Banking

801 31 31 31 (from fixed lines)
+48 22 598 41 61 (from mobile phones and from outside Poland)

Business Clients

(Mon.–Fri. 8.00–19.00)
801 31 31 31 (from fixed lines)
+48 22 598 41 61 (from mobile phones and from outside Poland)

Custody Department Clients

tel.: + 48 22 598 33 79 or +48 22 598 33 85
fax: + 48 22 598 33 83 or + 48 22 538 57 92



4. Language in which the Client can contact the Bank and which will be used in information and documents

Bank Clients can contact the Bank in **Polish**. Documents signed with Clients and information communicated to Clients are also prepared in Polish. The Bank and Client may agree to communicate in a different language than Polish.

5. Statement Confirming that the Bank has a Business Permit and name of the supervision authority which granted the permit

Supervision over the Bank

Bank Millennium Spółka Akcyjna with head office in Warsaw, ul. Stanisława Żaryna 2A (hereinafter referred to as the Bank) remains under the supervision of the Polish Financial Services Authority, which pursuant to the Act dated 21 July 2006 on Financial Market Supervision (Journal of Laws No 157, item 1119, as later amended) and Banking Law Act dated 29 September 1997 (Journal of Laws of 2002, No 72, item 665 as later amended) exercises supervision over banks, branches and representative offices of foreign banks in Poland.

Bank's investment services operations

1 - without permits

The Bank is a domestic bank performing operations referred to in Art. 70 section 2 of the Act on Trading in Financial Instruments (Journal of Laws of 2005 No 183 item 1538 as later amended).

2 - with mandatory permit

On the grounds of the permit for conducting brokerage operations no DDM-M-4040-7-1/2005 issued by the Securities and Exchange Commission on 4 January 2005, the Bank performs order acceptance and transferring services.

The Bank acts as Millennium Dom Maklerski S.A.'s agent on the grounds of the decision of the Securities and Exchange Commission of 20 December 2005 No DDM-M-4025-1-2-1/2005, pursuant to Art. 79 sect. 8 of the Act on Trading in Financial Instruments (Journal of Laws of 2005 No 183 item 1538 as later amended).

Bank's custody operations

The Bank is a custody bank in the meaning of Art. 3 item 36 of the Act of 29 July 2005 on Trading in Financial Instruments (Journal of Laws No 183 item 1538 as later amended) on the grounds of the permit issued on 21 December 1995 by the Securities and Exchange Commission (now Polish Financial Supervision Authority).

Name of the supervision body issuing the permit

Securities and Exchange Commission (at present the Polish Financial Supervision Authority)
Pl. Powstańców Warszawy 1, 00-950 Warsaw
tel.: +48 22 332 66 00



The current version of the brochure is available on the Bank's website: www.bankmillennium.pl.