

# Description of Transactions in Debt Securities

Warsaw, June 2019



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1. The terms used in this Description of Transactions in Debt Securities (hereinafter referred to as the "Transaction Description") have the meaning ascribed to them in the Terms and Conditions "Rules of Cooperation for Financial Market Transactions" or the Framework Agreement unless defined otherwise herein.
2. Part 1 defines the rules for entering into transactions on the secondary market.
3. Part 2 defines the rules for entering into transactions on the primary market (which also covers the Bank's own issues).
4. When the word "transaction" is used in references to this document made in other documents, it means both transactions within the meaning of Part 1 and Part 2.

## Part 1 – Transactions Entered into on the Secondary Market

### § 1. Definitions

1. Terms used herein shall have the following meanings:

<b>1/ Business Day</b>	means any day other than Saturday, Sunday or a public holiday, on which the Bank is open for its Customers in the territory of the Republic of Poland or any other day than Saturday, Sunday or a public holiday in the relevant country (if the Debt Securities are settled abroad);
<b>2/ Clearing House</b>	means an entity maintaining the system of registration of book-entry securities (including securities accounts, collective accounts and deposit accounts maintained by the authorized entities) that settles the Debt Securities or funds in connection with the Transactions or performs settlement of Transactions in particular Krajowy Depozyt Papierów Wartościowych (KDPW) [National Depository of Securities], Narodowy Bank Polski [National Bank of Poland] and Clearstream Banking Luxembourg;
<b>3/ Customer's Securities Account</b>	means the Customer's account serving the purposes of the Transaction settlement, on which the rights attached to the Debt Securities are registered; the Securities Account may also include a bank securities account, entry in the register of bonds or covered bonds allowing identification of the rights of the holder of the Debt Securities, as well as an entry made to the register of the Debt Securities that are safe kept in the physical form, allowing identification of the rights of the holder of the Debt Securities;
<b>4/ Customer's Settlement Account</b>	means the Customer's cash or bank account serving the purpose of the Transaction settlement;
<b>5/ Debt Securities</b>	means the securities of debt character that yield profit to its holder in the form of interest (coupon), discount or other consideration, issued under Polish or foreign law, in the physical or book-entry form; the Debt Securities include in particular the treasury bonds, treasury bills, bonds (other than treasury bonds), covered bonds or bank securities, except for bills of exchange;
<b>6/ Deposit</b>	means a register, maintained by the Bank, of the Debt Securities issued by the Bank or by other issuers through the Bank; in particular an entry in the account of bank securities, bonds or covered bonds allowing identification of the rights of the holder of Debt Securities, as well as an entry to register of the Debt Securities that are safe kept in the physical form, allowing identification of the rights of the holder of Debt Securities; the Debt Securities registered with the Deposit are not registered with the Clearing House;
<b>7/ Forward Transaction/TTPD</b>	means a Transaction, in which the Settlement Date falls after the third Business Day from the date of concluding the Transaction (provided that the Parties do not agree otherwise); Forward Transactions are classified as Derivative Transactions, provided that the Forward Transaction which are non-Treasury Securities may but do not have to be included in the Package of Transactions.
<b>8/ Issuer</b>	means an entity that has issued Debt Securities under Polish or foreign law;
<b>9/ Redemption Date</b>	means a date on which the Issuer is obliged to redeem the Debt Securities;
<b>9'/ Sell-Buy Back Transaction</b>	means a Transaction of selling Debt Securities concluded in connection with a Transaction of buying back the same Debt Securities on a specified date in the future; in a Sell-Buy Back Transaction, one of the Parties, referred to as the Seller, sells to the other Party, referred to as the Purchaser, Debt Securities at the Settlement Date of the Sell Transaction; at the same time, the Seller buys back the same Debt Securities from the Purchaser at the Settlement Date of the Buy Back Transaction; if a Sell-Buy Back Transaction includes a Forward Transaction, the Forward Transaction is classified as a Derivative Transaction,
<b>10/ Settlement Date</b>	means a date on which a Transaction is settled;
<b>11/ Spot Transaction</b>	means a Transaction, for which the Settlement Date falls not later than on the third Business Day from the day of conclusion of the Transaction;
<b>12/ Total Sale Price / Total Transaction Price</b>	means the value of the Transaction calculated as a sum of: (i) the product of the total nominal amount of the Debt Securities being the subject of the Transaction and the price of the 100 of the nominal amount (divided by 100) and (ii) the interest accrued from the total nominal amount of the Debt Securities.
<b>13/ Transaction</b>	for the purpose of Part 1 of this Transaction Description, means a transaction of sale of Debt Securities entered into between the Customer and the Bank; the Transaction may be entered into as a Spot or Forward Transaction.

2. Any other capitalised terms not listed in § 1.1 above are defined further herein.

## § 2. Accounts

1. A Transaction may be entered into provided that the Customer has:
  - 1/ a Securities Account and the Settlement Account with the Bank, or
  - 2/ a Securities Account and Settlement Account with another bank, or
  - 3/ a Securities Account with the Bank and Settlement Account with another bank.
2. The Customer indicates in the Customers Information Sheet or in any other written statement accepted by the Bank, the Customer's Securities and Settlement Accounts to be used for the purpose of the Transaction settlement. In the event when the above mentioned accounts are maintained by the Bank, the Customer may indicate the accounts in the course of agreeing the Terms of the Transaction.

## § 3. Entering into the Transaction

1. Upon entering into a Transaction, the Parties shall agree on the following Terms of the Transaction:
  - 1/ Purchaser and Seller;
  - 2/ Issuer;
  - 3/ Debt Securities type;
  - 4/ Debt Securities code or name;
  - 5/ Total nominal amount of Debt Securities;
  - 6/ Settlement Date;
  - 7/ price for 100 of the nominal amount;
  - 8/ Debt Securities Redemption Date (excluding treasury bonds which Redemption Date results from the code or issuance letter);
  - 9/ Entities maintaining the Securities Accounts and the Settlement Account subject to section 2 – 4.
2. Additionally:
  - 1/ Total Sale Price is stated in the Confirmation of the Transaction, upon Customer's request the Bank may state the price upon conclusion of the Transaction,
  - 2/ entities maintaining the Bank's securities and settlement accounts and the numbers of these accounts are indicated in the Confirmation of the Transaction.
3. The Parties may describe the Terms and Conditions of the Transaction using different expressions than the one used in the section 1 and 2, especially by using market standard expressions if they reflect the Terms and Conditions described in the section 1 and 2.
4. The Customer and the Bank may conclude a Sell-Buy Back Transaction.

## § 4. Transaction Performance

1. The buyer shall pay the Total Sale Price for the Debt Securities purchased on the Transaction Settlement Date to the seller's Settlement Account, and the seller shall deliver the Debt Securities sold to the buyer's Securities Account.
2. If a Transaction is settled through the Customer's Settlement Account and Securities Account maintained by the Bank, then:
  - 1/ the Bank settles the Transaction of sale of Debt Securities by debiting the Customer's Settlement Account maintained by the Bank with the Total Sale Price and credit the Customer's Securities Account maintained by the Bank with the number of Debt Securities resulting from the Terms of the Transaction on the Settlement Date;
  - 2/ the Bank settles the Transaction of purchase of Debt Securities by debiting the Customer's Securities Account maintained by the Bank with the number of Debt Securities resulting from the Terms of the Transaction and credit the Customer's Settlement Account maintained by the Bank with the Total Sale Price on the Settlement Date.
3. In the event referred to in § 4.2 above, on the Settlement Date, the Customer shall ensure:
  - 1/ cash on the Customer's Settlement Account maintained by the Bank in the amount equal to the Total Sale Price resulting from the Terms of the Transaction;
  - 2/ Debt Securities on the Customer's Securities Account maintained by the Bank in the number resulting from the Terms of the Transaction.
4. If a Transaction is settled through the Customer's Settlement Account and Securities Account maintained by another bank, the Customer shall instruct the entities maintaining the Customer's Settlement Account and Securities Account to issue a relevant clearing instructions for the Total Sale Price and for the number of Debt Securities resulting from the Terms of the Transaction. The Transaction settlement is performed pursuant to the regulations of the settling Clearing House and the regulations of the entities maintaining the Customer's Settlement Account and Securities Account.
5. In the event when the Customer has a Securities Account at the Bank but does not have a Settlement Account at the Bank:
  - 1/ the Bank settles the Transaction of sale of Debt Securities by crediting the Customer's Securities Account at the Bank with the Debt Securities in the number resulting from the Terms of the Transaction upon receiving the Total Sale Price from the Customer, on the Settlement Date
  - 2/ the Bank settles the Transaction of purchase of Debt Securities on the Settlement Date by debiting the Customer's Securities Account at the Bank with the Debt Securities in the number resulting from the Terms of the Transaction and transfers the Total Sales Price to the Settlement Account of the Customer outside the Bank.
6. In the case specified in § 4.5 above, on the Settlement Date the Customer shall:
  - 1/ transfer funds in total amount of the Total Sales Price arising from the Terms of the Transaction to the settlement account at the Bank,
  - 2/ ensure Debt Securities in the number arising from the Terms of the Transaction on the Customer's Securities Account at the Bank.

## § 5. Non-delivery

1. In the case of a Debt Securities Transaction settled through the Customer's Settlement Account and Securities Account maintained by the Bank, the Bank shall have the right to withdraw from the Transaction if the Bank cannot settle the Transaction of:
  - 1/ purchase of Debt Securities by the Bank due to lack of funds on the Customer's Securities Account maintained by the Bank on the Settlement Date;
  - 2/ sale of Debt Securities due to lack of sufficient funds to cover the Total Sale Price on the Customer's Settlement Account maintained by the Bank on the Settlement Date.

2. In the case of a Debt Securities Transaction settled through the Customer's Settlement Account and Securities Account maintained by another bank, the Bank shall have the right to withdraw from the Transaction:
  - 1/ in the case of a Transaction of purchase of Debt Securities conducted by the Bank, if the Clearing House fails to transfer the Debt Securities from the Customer's Securities Account to the Bank's Securities Account on the Settlement Date;
  - 2/ in the case of a Transaction of sale of Debt Securities conducted by the Bank, if the Clearing House fails to transfer the Total Sale Price from the Customer's Settlement Account to the Bank's Settlement Account on the Settlement Date.
- 2<sup>1</sup>. In the case of a Debt Securities Transaction settled through the Customer's Settlement Account maintained outside the Bank and a Securities Account maintained by the Bank, the Bank shall have the right to withdraw from the Transaction:
  - 1/ in the case of purchase of Debt Securities conducted by the Bank, due to lack of funds on the Customer's Securities Account on the Settlement Date
  - 2/ in the case of sale of Debt Securities conducted by the Bank, due to lack of sufficient funds to cover the Total Sale Price on the Customer's Settlement Account maintained by the Bank on the Settlement Date
3. In the case of the Bank's rescission of a Transaction of sale of Debt Securities, the Bank shall have the right to sell the Debt Securities that are the subject of the Transaction and, if the Bank has incurred loss, to satisfy itself from the deposit established or seek compensation for the loss suffered.
4. In the case of the Bank's rescission of a Transaction of purchase of Debt Securities, the Bank shall have the right to satisfy itself from the deposit established or seek compensation for the loss suffered, if the Bank has incurred loss.

## § 6. General description of risks associated with investing in Debt Securities

1. The Debt Securities constitute the securities containing the Issuer's obligation to fulfil a pecuniary (e.g. interest, principal amount) or non-pecuniary consideration vis-a-vis the holder of the securities. The Terms of Issue of Debt Securities, information prospectus or information memoranda of specific Debt Securities set out the type of consideration, the deadlines on which the consideration is to be fulfilled and the amounts that the Issuer is obliged to pay.
2. Investing in debt securities entails risks described below:
  - 1/ Market risks
 

Market risks for a transaction on Debt Securities consist in a risk of unfavourable changes in the price of securities resulting from the decrease in their value before the Redemption Date for the buyer or resulting from the growth in their value after the Settlement Date for the seller. The main market risk factors attributable to Debt Securities include the interest rate risk and the currency risk.

The interest rate risk constitutes a risk of fluctuations in the value of the Debt Securities held, caused by changes in the market interest rates. A variation in the prices of so-called benchmark curves attributable mainly to macroeconomic changes affects the prices of Debt Securities on the market or their valuation based on models.

The currency risk constitutes a risk of decrease in the value of Debt Securities caused by unfavourable changes in the currency rate levels. The currency risk is encountered in the case of purchasing Debt Securities denominated in a different currency than the currency in which the holder of Debt Securities estimates his rate of return on the investment (e.g. Polish zloty). In this situation, there exists a risk of loss resulting from the benefit attached to the Debt Securities or the price obtained on the secondary market that is lower after conversion into other currency (e.g. PLN) than the investor has expected when purchasing the Debt Securities.

The risk of growth in the spread between the purchase and sale prices of Debt Securities resulting from the deterioration of the financial result on the transaction constitutes an additional risk related to the transactions on Debt Securities.
  - 2/ Credit risk (issuer risk)
 

Investing in Debt Securities entails a risk attributable to the securities Issuer's ability to fulfil its obligations set out in the Debt Securities. In the case of the Debt Securities under which the fulfilment of benefit has been guaranteed or warranted by a third party, there also exists risk of that entity associated with fulfilling its obligations set out in the document warranting the fulfilment of the benefits in place of the Issuer of the Debt Securities. In particular, due to changes in the financial or legal situation of the Debt Securities' Issuer or a third party referred to above, resulting from either external (market or macroeconomic) or internal factors, the Issuer of Debt Securities or a third party may not be able to fulfil their obligations on time, may significantly delay their disbursement or become permanently unable to repay the funds borrowed. In these cases, as well as in the case where the Issuer's financial standing deteriorates, or if the rating of the issuer of Debt Securities or of an entity that warranted the fulfilment of benefits under such securities downgrades, or if the rating of specific securities decreases (provided that such rating has been assigned by a rating agency), prices of such Debt Securities on the secondary market may also significantly decrease or, in this situation the investor may become unable to sell the instrument due to lack of demand. The credit risk increases proportionally to the length of a deadline for fulfilment of benefits attached to specific securities.
  - 3/ Liquidity risk
 

In the case of the Debt Securities there exists a risk of the lack of liquidity on the market of these instruments which means that the holder is unable to sell his securities or to buy securities or that the holder must accept the prices that significantly differ from those at which the respective transactions have been performed. One of the market's for non-treasury Debt Securities characteristics is a significantly greater risk of the lack of liquidity than in the case of the market for treasury instruments.
  - 4/ Settlement risk
 

In the case of purchasing or selling of Debt Securities there exists a risk that a transaction may not be settled or its settlement may be delayed. The aforementioned may result in not receiving the funds for the Debt Securities sold or receiving them at a later date. Acquiring of Debt Securities entails a risk of not receiving those securities or receiving them at a later date, which may contribute to loss on the part of the holder purchasing the Debt Securities in the case of changes in the prices thereof at the time of the settlement. The settlement risk results from the fact that the settlement is conducted through the third parties (e.g. the Clearing House, a brokerage house or a bank safekeeping the securities or cash that is the subject of the settlement) and results mainly from the operating and legal risks. The settlement risk also exists in the case of disbursement of benefits attached to the Debt Securities.
  - 5/ Investment concentration risk
 

Investing in the Debt Securities of one Issuer or in the Debt Securities of the issuers operating in similar branches of industry, may result in significant decrease in the value of the Debt Securities portfolio of a specific Holder, if other above-mentioned risks occur.
  - 6/ Income risk
 

In the case of the variable interest Debt Securities, the buyer must take into account that his future interest income (proceeds from interest) is not guaranteed and depends on the future reference interest rates (e.g. WIBOR, LIBOR) which serve the calculation of the interest rate of any given Debt Securities.

- 7/ Risk of access to the current information on the financial situation of the Issuer or an underwriter.  
In the event of investing in the Debt Securities, a risk of access to information on the financial situation of the Issuer or an underwriter (i.e. an entity undertaking to fulfil the obligation stemming from the Debt Securities on the basis of a redemption guaranty or a warranty) may occur. The issuers or underwriters may be obliged to make their annual or interim financial statements public, pursuant to regulations applicable thereto. However, certain economic events concerning the Issuer or an underwriter, that may affect their ability to repay their liabilities resulting from the Debt Securities, may occur after the date of publishing of a given financial statement or may not be taken into account in a given financial statement. Within the framework of their business activity, the Bank, as well as its subsidiaries and affiliates, may cooperate with the Issuer and an underwriter with regard to various services. Therefore, the Bank may have the information of particular significance from the point of view of the Issuer's or underwriter's financial situation and their ability to fulfil the obligations arising from the Debt Securities, but the Bank is not authorised to make such information available to the Buyers without the Issuer's consent. The risk of access to information on the current financial situation of the Issuer and an underwriter is higher in the case of entities that are not subject to disclosure obligations resulting from the fact that the Issuer's or underwriter's securities are listed on the market. In certain situations, in spite of sanctions for not providing certain information pursuant to absolutely prevailing provisions of law or to regulations applicable to the market, on which the securities of the Issuer or an underwriter are listed, there also exists a risk that the Issuer or an underwriter provides the incomplete information, delays its provision or does not provide the information at all.
- 8/ Requirements concerning the Security  
The terms and conditions of providing the Security for settlement of Forward Transactions of purchase or sale of the Debt Securities are stipulated in the Terms and Conditions "Rules of Cooperation for Financial Market Transactions".
3. The information on a redemption guaranty ("guaranty") or a warranty (if any) securing the fulfilment of obligations resulting from a debt security, the name of an entity granting the guaranty or warranty, the details concerning that entity as well as the contents of a guaranty or warranty are available in the information memorandum or in the contents of the Terms of Issuance.

## § 6.

deleted

## § 7.

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## Part 2 – Transactions Entered into on the Primary Market

### § 8. Application of the Provisions of Part 1 to Transactions Entered into on the Primary Market

1. The rules specified in Part 1 apply to Transactions entered into on the primary market, subject to differences specified below.
2. The following provisions do not apply to Transactions entered into on the primary market:
  - 1/ § 6 (2) (8) (other provisions of § 6 apply to the said Transactions);

### § 9. Definition of "Transaction" on the Primary Market

1. For the purposes of Part 2, definitions used in Part 1 read as follows:
  - 1/ Transaction – for the purposes of Part 2 of this Transaction Description, means:
    - (i) a transaction consisting in the Customer purchasing the Issuer's Debt Securities from this Issuer through the agency of the Bank or
    - (ii) a transaction consisting in the Customer purchasing Debt Securities issued by the Bank from the Bank.
2. On the primary market, there are no: (i) Spot Transactions, (ii) Sell/Buy Back Transactions or (iii) Forward Transactions/TFPD.

### § 10. Entering into a Transaction

1. § 3 does not apply to Transactions entered into on the primary market. Instead of § 3, provisions of this paragraph apply.
2. Transactions may be entered into:
  - 1/ with the use of the book-building process (i.e. the process of book-building for Debt Securities);
  - 2/ without the use of the book-building process (e.g. Debt Securities are purchased by particular investors or through the so-called club deal where the issuer indicates to the Bank which investors are to purchase Debt Securities).
3. The conclusion of a Transaction on the primary market, with the use of the book-building process, takes place in the following stages:
  - 1/ The Bank sends the Customer an invitation to submit the Debt Securities purchase declaration, together with the declaration template, draft terms of the issue and other issue-related documents, if applicable;
  - 2/ The Customer sends the Bank the signed Debt Securities purchase declaration;
  - 3/ after the issuer has allocated the Debt Securities to particular investors, the Bank sends the Customer a signed Debt Securities purchase proposal, together with the template of a statement on accepting the Debt Securities purchase proposal and the final terms of the issue of the Debt Securities signed by the issuer;
  - 4/ The Customer sends the Bank a scan of the signed statement on accepting the Debt Securities purchase proposal, in which the Customer indicates data necessary for settlement, including the Securities Account and Settlement Account;
  - 5/ if the Transaction documentation so provides, the Bank sends the Customer a notification on allocation of the Debt Securities, subject to the payment of the purchase price of the Debt Securities;
  - 6/ depending on the provisions of the Debt Securities purchase proposal (or other documents pertaining to the Customer's Transaction), the Customer credits the issue settlement account with funds for the purchase of the Debt Securities or the Customer is obliged to submit relevant orders for issuing clearing instructions by the entity maintaining the Customer's Settlement Account and the Securities Account;
  - 7/ depending on the provisions of the Debt Securities purchase proposal (or other documents pertaining to the Customer's Transaction), the Bank credits the purchased Debt Securities to the Customer's Securities Account (in the case where the Bank maintains the said account) or, in other cases, issues clearing instructions as a technical agent, or sends the instruction to another institution maintaining the Customer's Securities Account to credit the purchased Debt Securities to the relevant account.
4. The conclusion of a Transaction on the primary market without the use of the book-building process takes place as agreed between the Customer and the Bank. In particular (unless agreed otherwise):
  - 1/ the transaction-related documentation specifies the way of determining the group of the Debt Securities investors to which the Debt Securities purchase proposal is to be addressed (e.g. the issuer indicates the group of investors in the issue notification or the group of investors is defined in the agreement concluded with the issuer) and the way of determining the Debt Securities issue parameters (especially the nominal value, interest rate and a discount, if applicable);

- 2/ when concluding the Transaction, no invitation to submit the Debt Securities purchase declaration is sent and thus, the Customer does not submit the Debt Securities purchase declaration;
  - 3/ The Bank sends the Customer the signed Debt Securities purchase proposal, together with the template of a statement on accepting the Debt Securities purchase proposal and the final terms of the issue of the Debt Securities signed by the issuer;
  - 4/ The Customer sends the Bank a scan of the signed statement on accepting the Debt Securities purchase proposal, in which the Customer indicates data necessary for settlement, including the Securities Account and Settlement Account;
  - 5/ if the Transaction documentation so provides, the Bank sends the Customer a notification on allocation of the Debt Securities, subject to the payment of the purchase price of the Debt Securities;
  - 6/ depending on the provisions of the Debt Securities purchase proposal (or other documents pertaining to the Customer's Transaction), the Customer credits the issue settlement account with funds for the purchase of the Debt Securities or the Customer is obliged to submit relevant orders for issuing clearing instructions by the entity maintaining the Customer's Settlement Account and the Securities Account;
  - 7/ depending on the provisions of the Debt Securities purchase proposal (or other documents pertaining to the Customer's Transaction), the Bank credits the purchased Debt Securities to the Customer's Securities Account (in the case where the Bank maintains the said account) or, in other cases, issues clearing instructions as a technical agent, or sends the instruction to another institution maintaining the Customer's Securities Account to credit the purchased Debt Securities to the relevant account.
5. The content of the documents exchanged between the Bank and the Customer within the stages referred to in § 10.3 or § 10.4 above depends on the terms of the issue of the Debt Securities or templates provided by the issuer of the Debt Securities, or the templates currently applicable in the Bank.
  6. The documents referred to in § 10.3 and § 10.4 are sent by e-mail as a scan of the signed document. The Customer immediately sends the original documents to the Bank (unless the Transaction documentation stipulates otherwise).
  7. The Transaction documentation referred to in § 10.3 exchanged between the Bank and the Customer stipulates which of the Customer's and the Bank's obligations are binding and which can be withdrawn from. In the case where this has not been determined or where doubts in interpretation arise, the following provisions are applied.
  8. By submitting the Debt Securities purchase declaration:
    - 1/ the Customer undertakes to submit the statement on accepting the Debt Securities purchase proposal upon receiving it and to purchase the Debt Securities with the parameters that are at least as advantageous as those indicated by the Customer in the declaration, and
    - 2/ the Customer assumes the responsibility, towards the issuer, for any claims put forward due to the fact that (i) the Debt Securities were not purchased or paid for although the Debt Securities purchase proposal was sent to the Customer and (ii) the Debt Securities were purchased and paid for in the number lower than the one indicated in the Debt Securities purchase proposal.
  9. By submitting the statement on accepting the Debt Securities purchase proposal, the Customer makes an irrevocable offer within the meaning of the Civil Code (the Customer is bound by the statement).

## § 11. Transaction Performance

1. § 4 does not apply to Transactions concluded on the primary market. Instead of § 4, provisions of this paragraph apply accordingly.
2. In order to perform the Transaction, the Bank and the Customer act in line with the provisions of the Transaction documentation. If no provisions of the documentation specify the Transaction performance or provisions which specify it are incomplete, the provisions of this paragraph apply.
3. On the Settlement Date of the Transaction, the Customer is obliged to pay, in a manner defined in the purchase proposal, the Total Transaction Price for the purchased Debt Securities, which forms the basis for crediting the purchased securities of the issuer to the Customer's Securities Account.
4. If (i) a Transaction is settled through the Customer's Settlement Account and Securities Account maintained by the Bank or (ii) the Customer holds a Securities Account with the Bank but does not hold a Settlement Account with the Bank:
  - 1/ the purchase of Debt Securities is settled as follows: on the Settlement Date, the Customer pays the Total Transaction Price to the issue settlement account indicated in the purchase proposal and the Bank credits the Customer's Securities Account maintained by the Bank with the number of the Debt Securities resulting from the Terms and Conditions of the Transaction.
5. If a Transaction is settled through the Customer's Settlement Account and Securities Account maintained by another bank, the Customer is obliged to order the entities maintaining the Customer's Settlement Account and Securities Account to issue relevant clearing instructions for the Total Transaction Price and for the number of Debt Securities resulting from the Terms and Conditions of the Transaction. The Transaction settlement is performed pursuant to the regulations of the settling Clearing House and the regulations of the entities maintaining the Customer's Settlement Account and Securities Account.

## § 12. Non-delivery (failure to pay the purchase price for the Debt Securities)

1. § 5 does not apply to Transactions concluded on the primary market. Instead of § 5, provisions of this paragraph apply accordingly.
2. In the case of Debt Securities Transactions settled through the Customer's Securities Account maintained by the Bank, the Bank has the right to withdraw from the Transaction if the Bank cannot settle the Transaction due to the fact that the Total Transaction Price has not been paid to the settlement account indicated in the purchase proposal on the Settlement Date.
3. In the case of Debt Securities Transactions settled through the Customer's Settlement Account and Securities Account maintained by another bank, the Bank has the right to withdraw from the Transaction if the Total Transaction Price has not been transferred by the Clearing House from the Customer's Settlement Account to the settlement account of the Bank on the Settlement Date.
4. If the Bank incurs a loss due to the withdrawal from the Transaction, it has the right to seek compensation for the loss suffered.

## Common Provisions for Part 1 and Part 2

### § 13. Entry into Force

This Transaction Description comes into force on 1 June 2019.