



Scenarios of Commodity Transactions

Exemplary terms and conditions of a transaction to be settled in one month for the buyer of the Commodity SWAP

Transaction Name	Commodity SWAP
Commodity	Milling wheat (Euronext Paris)
Start Date	1 August
End Date	31 August
Commodity Reference Price	"MILLING WHEAT-EURONEXT DERIVATIVES PARIS" means that the price for a Pricing Date will be that day's Specified Price per ton of milling wheat of quality determined for the applicable Delivery Date, stated in euro, as made public by Euronext Derivatives Paris and displayed on Bloomberg Screen Page "CAA Comdty CT", which displays prices effective on that Pricing Date.
Specified Price	Official settlement price announced by the respective exchange
Delivery Date	SEP**
Pricing Date	Every Business Day in the applicable Calculation Period
Currency	EUR
Currency conversion provision	None
Fixed Price	EUR 183.00 per metric ton
Floating Price	The arithmetic unweighted average of the Commodity Reference Prices for every Pricing Date in the applicable Calculation Period.
Notional Quantity in the Calculation Period	500 metric tons
Transaction Value	EUR 91,500.00
Calculation Period	from 1 August **** (inclusive) to 31 August **** (inclusive)
Fixed Price Payer (Buyer)	Client
Floating Price Payer (Seller)	mBank
Floating Price Round Off	to three decimal places
Settlement Date	5 September ****
Hedged position of the Client	The structure of cash flows of the hedged item matches the structure of cash flows of the hedging transaction
Obligations of the parties to the transaction	<ul style="list-style-type: none"> ▪ mBank pays the Client Floating Prices (calculated as the unweighted arithmetic average of the Specified Prices of the commodity published on every Business Day in the applicable Calculation Period (Floating Price of the Bank) multiplied by the notional principal amount of the transaction) ▪ The Client pays mBank Fixed Prices (calculated as a product of the agreed Fixed Price and the notional principal amount of the transaction).
Economic effect, cash flows:	<ul style="list-style-type: none"> ▪ If: $\text{Floating Price} < \text{Fixed Price}$, then: $\text{effective buy price} = \text{Fixed Price}$, the Client pays mBank the sum amounting to $(\text{Floating Price} - \text{Fixed Price}) * \text{Notional Quantity}$ ▪ If: $\text{Floating Price} > \text{Fixed Price}$, then $\text{effective buy price} = \text{Fixed Price}$, mBank pays the Client the sum amounting to $(\text{Floating Price} - \text{Fixed Price}) * \text{Notional Quantity}$
Transaction cost	The transaction involves no additional fees and commissions. The quotations of the types of transactions presented below may include a mark-up indicated on mBank's website: https://www.mbank.pl/pdf/mosp-korporacje/rynki-finansowe/informacja-markup.pdf .

Potential result on the strategy on the settlement day for the buyer of the Commodity SWAP

Floating price	Hedged item value	Commodity SWAP		Hedging effect
		Settlement amount	Effective purchase price	
233,00	116 500,00	25 000,00	183,00	91 500,00
228,00	114 000,00	22 500,00	183,00	91 500,00
223,00	111 500,00	20 000,00	183,00	91 500,00
218,00	109 000,00	17 500,00	183,00	91 500,00
213,00	106 500,00	15 000,00	183,00	91 500,00
208,00	104 000,00	12 500,00	183,00	91 500,00
203,00	101 500,00	10 000,00	183,00	91 500,00
198,00	99 000,00	7 500,00	183,00	91 500,00
193,00	96 500,00	5 000,00	183,00	91 500,00
188,00	94 000,00	2 500,00	183,00	91 500,00
183,00	91 500,00	0,00	183,00	91 500,00
178,00	89 000,00	-2 500,00	183,00	91 500,00
173,00	86 500,00	-5 000,00	183,00	91 500,00
168,00	84 000,00	-7 500,00	183,00	91 500,00
163,00	81 500,00	-10 000,00	183,00	91 500,00
158,00	79 000,00	-12 500,00	183,00	91 500,00
153,00	76 500,00	-15 000,00	183,00	91 500,00
148,00	74 000,00	-17 500,00	183,00	91 500,00
143,00	71 500,00	-20 000,00	183,00	91 500,00
138,00	69 000,00	-22 500,00	183,00	91 500,00
133,00	66 500,00	-25 000,00	183,00	91 500,00

In EUR

Exemplary terms and conditions of a transaction to be settled in one month for the seller of the Commodity SWAP

Transaction Name	Commodity SWAP
Commodity	Milling wheat (Euronext Paris)
Start Date	1 August
End Date	31 August
Commodity Reference Price	"MILLING WHEAT-EURONEXT DERIVATIVES PARIS" means that the price for a Pricing Date will be that day's Specified Price per ton of milling wheat of quality determined for the applicable Delivery Date, stated in euro, as made public by Euronext Derivatives Paris and displayed on Bloomberg Screen Page "CAA Comdty CT", which displays prices effective on that Pricing Date.
Specified Price	Official settlement price announced by the respective exchange
Delivery Date	SEP**
Pricing Date	Every Business Day in the applicable Calculation Period
Currency	EUR
Currency conversion provision	None
Fixed Price	EUR 182.75 per metric ton
Floating Price	The arithmetic unweighted average of the Commodity Reference Prices for every Pricing Date in the applicable Calculation Period.

Notional Quantity in the Calculation Period	500 metric tons
Transaction Value	EUR 91,375.00
Calculation Period	from 1 August **** (inclusive) to 31 August **** (inclusive)
Fixed Price Payer (Buyer)	mBank
Floating Price Payer (Seller)	Client
Floating Price Round Off	to three decimal places
Settlement Date	5 September ****
Hedged position of the Client	The structure of cash flows of the hedged item matches the structure of cash flows of the hedging transaction
Obligations of the parties to the transaction	<ul style="list-style-type: none"> ▪ The Client pays mBank Floating Prices (calculated as the unweighted arithmetic average of the Specified Prices of the commodity published on every Business Day in the applicable Calculation Period (Floating Price of the Client) multiplied by the notional principal amount of the transaction) ▪ mBank pays the Client Fixed Prices (calculated as a product of the agreed Fixed Price and the notional principal amount of the transaction). ▪ If: Floating Price < Fixed Price, then: effective sell price = Fixed Price;
Economic effect, cash flows:	<p>mBank pays the Client the sum amounting to (Fixed Price - Floating Price) * Notional Quantity</p> <ul style="list-style-type: none"> ▪ If: Floating Price > Fixed Price, then: effective sell price = Fixed Price; <p>the Client pays mBank the sum amounting to (Floating Price - Fixed Price) * Notional Quantity</p>
Transaction cost	The transaction involves no additional fees and commissions. The quotations of the types of transactions presented below may include a mark-up indicated on mBank's website: https://www.mbank.pl/pdf/msp-korporacje/rynki-finansowe/informacja-markup.pdf .

Potential result on the strategy on the settlement day for the seller of the Commodity SWAP

Floating price	Hedged item value	Commodity SWAP		Hedging effect
		Settlement amount	Effective selling price	
232,75	116 375,00	-25 000,00	182,75	91 375,00
227,75	113 875,00	-22 500,00	182,75	91 375,00
222,75	111 375,00	-20 000,00	182,75	91 375,00
217,75	108 875,00	-17 500,00	182,75	91 375,00
212,75	106 375,00	-15 000,00	182,75	91 375,00
207,75	103 875,00	-12 500,00	182,75	91 375,00
202,75	101 375,00	-10 000,00	182,75	91 375,00
197,75	98 875,00	-7 500,00	182,75	91 375,00
192,75	96 375,00	-5 000,00	182,75	91 375,00
187,75	93 875,00	-2 500,00	182,75	91 375,00
182,75	91 375,00	0,00	182,75	91 375,00
177,75	88 875,00	2 500,00	182,75	91 375,00
172,75	86 375,00	5 000,00	182,75	91 375,00
167,75	83 875,00	7 500,00	182,75	91 375,00
162,75	81 375,00	10 000,00	182,75	91 375,00
157,75	78 875,00	12 500,00	182,75	91 375,00
152,75	76 375,00	15 000,00	182,75	91 375,00
147,75	73 875,00	17 500,00	182,75	91 375,00

Floating price	Hedged item value	Commodity SWAP		Hedging effect
		Settlement amount	Effective selling price	
142,75	71 375,00	20 000,00	182,75	91 375,00
137,75	68 875,00	22 500,00	182,75	91 375,00
132,75	66 375,00	25 000,00	182,75	91 375,00

In EUR

Disclaimer – read carefully

This is to inform you that after analysing the suitability of the Client mBank S.A. may consider the Client unsuitable for the financial instruments presented herein and a member of the negative Target Group for these instruments; if this is the case, mBank S.A. has the right to refuse to conclude the transaction.

The conclusion of Commodity SWAP poses risk and does not guarantee that the expected investment objective will be achieved or that a specific investment result will be earned. The Client should be aware of the fact that the conclusion of the transaction referred to in this material poses a risk of incurring an unlimited loss. mBank S.A. guarantees neither the return of the invested funds, nor the achievement of profit or economic effect expected by the Client.

When considering whether to conclude the transaction, the Client should take into account in particular: market risks, legal risk, financial leverage effect, potentially high volatility of prices and valuations of transactions, collateral-related requirements and risk of assuming a financial obligation as a result of concluding the transaction. For detailed risk descriptions, terms and conditions for the provision of services and fees connected with concluding the transaction see the Principles of Cooperation or the Terms and Conditions of Cooperation, the Transaction Rules or the Transaction Descriptions appended to the Framework Agreement or visit mBank's website: <https://www.mbank.pl/pomoc/dokumenty/msp-korporacje/fynki-finansowe/>.

A transaction intended to hedge against financial risk in a company should match its open risk position related to the volatility of prices of commodities and products of the company in terms of notional amount and maturity date. A mismatch between a financial transaction and the company's cash flow structure on the transaction date or on the maturity date (e.g. caused by a change in the company's economic situation due to the expiration of the underlying commercial contracts) may pose additional risk (speculative position).

This material is not investment advice, advice or recommendation to buy or sell specific financial instruments. The scenarios presented herein are based on exemplary data intended to present how market price fluctuations impact on the settlement result under various market conditions (both positive and negative). In the case when the Client intends to conclude the transaction, mBank S.A. does not guarantee that it will be based on identical parameters and quotations as the transactions referred to in this material. In particular, it should be taken into account that the market volatility may be considerably higher than that presented in this material.

The Client should not take any investment decisions only on the basis of this material without further analyses on their own. In addition, mBank S.A. recommends that the Client consult independent, professional investment, legal, tax and accounting advisers. Using the advice provided by these advisers, the Client should assess the risk of every transaction and its economic, legal, tax and accounting consequences. The decision to conclude the transaction with mBank S.A., including the time of concluding the transaction, is taken by the Client on their own and independently of mBank S.A.

This material is not an offer within the meaning of Article 66 of the Civil Code and is intended for informational purposes only.

This material and any information contained herein are confidential (and constitute business secrets of mBank S.A.) and may be used only by the Client. Any information contained in this material may not be disclosed to third parties without prior written consent of mBank S.A., except for the aforesaid advisers whose advice the Client uses to decide on concluding the transaction with mBank S.A., on condition that the information disclosed this way is treated as confidential and is duly protected by the advisers.

Exemplary terms and conditions of a transaction to be settled in one month for the buyer of the Asian Commodity Option (call)

Transaction Name	PURCHASE OF THE ASIAN COMMODITY OPTION (CALL)
Buyer of the Commodity Option	Client
Seller of the Commodity Option	mBank
Transaction Date	7 July
Commodity	Milling wheat (Euronext Paris)
Option Style	Asian option
Option Type	CALL
Notional Quantity	500.00 metric tons
Exercise Price (B) per Unit	EUR 183.00 per metric ton
Maximum Buy Price (A)	EUR 188.00 per metric ton

Premium per Unit	EUR 5.00 per metric ton
Total Premium	EUR 2,500.00
Total Premium Payment Date	9 July
Expiration Date	31 July
Option duration	From 1 July to 31 July
Settlement Date	first Business Day following the maturity date
Delivery Date	SEP**
Floating Price	The arithmetic unweighted average of the Commodity Reference Prices for every Pricing Date in the applicable Calculation Period.
Specified Price	official settlement price announced by the respective exchange
Commodity Reference Price	"MILLING WHEAT-EURONEXT DERIVATIVES PARIS" means that the price for a Pricing Date will be that day's Specified Price per ton of milling wheat of quality determined for the applicable Delivery Date, stated in euro, as made public by EURONEXT PARIS and displayed on Bloomberg Screen Page "CAA Comdty CT", which displays prices effective on that Pricing Date.
Currency conversion provision	None
Obligations of the parties to the transaction	<ul style="list-style-type: none"> ▪ The Client pays mBank the Total Premium ▪ if the Client exercises the option: mBank pays the Client the difference between the Exercise Price per Unit and the Specified Price multiplied by the Notional Quantity
Economic effect, cash flows:	<p>if: Specified Price > (B), then: effective buy price = (A)</p> <p>The Client uses the hedge and has the right to buy the commodity at price (B), which after taking into account the Premium per Unit translates into maximum price (A)</p> <ul style="list-style-type: none"> ▪ if: Specified Price ≤ (B), then: effective buy price = market price of the commodity + Premium per Unit <p>The Client does not exercise the option and loses the Total Premium</p>
Settlement	"net" settlement – settlement of the difference between the Specified Price and the Execution Price
Transaction cost	Total Premium. The quotations of the types of transactions presented below may include a mark-up indicated on mBank's website: https://www.mbank.pl/pdf/misp-korporacje/rynki-finansowe/informacja-markup.pdf .

Potential result on the strategy on the settlement day for the buyer of the Asian Commodity Option (call)

Specified price	Hedged item value	Purchase of the Asian Commodity Option (CALL)			Hedging effect
		Total premium	Settlement amount	Effective purchase price	
233,00	116 500,00	-2 500,00	25 000,00	188,00	94 000,00
228,00	114 000,00	-2 500,00	22 500,00	188,00	94 000,00
223,00	111 500,00	-2 500,00	20 000,00	188,00	94 000,00
218,00	109 000,00	-2 500,00	17 500,00	188,00	94 000,00
213,00	106 500,00	-2 500,00	15 000,00	188,00	94 000,00
208,00	104 000,00	-2 500,00	12 500,00	188,00	94 000,00
203,00	101 500,00	-2 500,00	10 000,00	188,00	94 000,00
198,00	99 000,00	-2 500,00	7 500,00	188,00	94 000,00
193,00	96 500,00	-2 500,00	5 000,00	188,00	94 000,00
188,00	94 000,00	-2 500,00	2 500,00	188,00	94 000,00
183,00	91 500,00	-2 500,00	0,00	188,00	94 000,00
178,00	89 000,00	-2 500,00	0,00	183,00	91 500,00
173,00	86 500,00	-2 500,00	0,00	178,00	89 000,00

Specified price	Hedged item value	Purchase of the Asian Commodity Option (CALL)			Hedging effect
		Total premium	Settlement amount	Effective purchase price	
168,00	84 000,00	-2 500,00	0,00	173,00	86 500,00
163,00	81 500,00	-2 500,00	0,00	168,00	84 000,00
158,00	79 000,00	-2 500,00	0,00	163,00	81 500,00
153,00	76 500,00	-2 500,00	0,00	158,00	79 000,00
148,00	74 000,00	-2 500,00	0,00	153,00	76 500,00
143,00	71 500,00	-2 500,00	0,00	148,00	74 000,00
138,00	69 000,00	-2 500,00	0,00	143,00	71 500,00
133,00	66 500,00	-2 500,00	0,00	138,00	69 000,00

In EUR

Exemplary terms and conditions of a transaction to be settled in one month for the buyer of the Asian Commodity Option (put)

Transaction Name	PURCHASE OF THE ASIAN COMMODITY OPTION (PUT)
Buyer of the Commodity Option	Client
Seller of the Commodity Option	mBank
Transaction Date	7 July
Commodity	Milling wheat (Euronext Paris)
Option Style	Asian option
Option Type	PUT
Notional Quantity	500.00 metric tons
Exercise Price (B) per Unit	EUR 183.00 per metric ton
Minimum Sell Price (A)	EUR 177.00 per metric ton
Premium per Unit	EUR 6.00 per metric ton
Total Premium	EUR 3,000.00
Total Premium Payment Date	9 July
Expiration Date	31 July
Option duration	from 1 July to 31 July
Settlement Date	first Business Day following the maturity date
Delivery Date	SEP20
Floating Price	The arithmetic unweighted average of the Commodity Reference Prices for every Pricing Date in the applicable Calculation Period.
Specified Price	official settlement price announced by the respective exchange
Commodity Reference Price	"MILLING WHEAT-EURONEXT DERIVATIVES PARIS" means that the price for a Pricing Date will be that day's Specified Price per ton of milling wheat of quality determined for the applicable Delivery Date, stated in euro, as made public by EURONEXT PARIS and displayed on Bloomberg Screen Page "CAA Comdty CT", which displays prices effective on that Pricing Date.
Currency conversion provision	None
Obligations of the parties to the transaction	<ul style="list-style-type: none"> ▪ The Client pays mBank the Total Premium ▪ if the Client exercises the option: mBank pays the Client the difference between the Exercise Price per Unit and the Specified Price multiplied by the Notional Quantity

	<ul style="list-style-type: none"> if: Specified Price < (B), then: effective sell price = (A)
Economic effect, cash flows:	The Client uses the hedge and has the right to sell the commodity at price (B), which after taking into account the Premium per Unit translates into minimum price (A)
	<ul style="list-style-type: none"> if: Specified Price ≥ (B), then: effective sell price = market price of the commodity - Premium per Unit
	The Client does not exercise the option and loses the Total Premium
Settlement	“net” settlement – settlement of the difference between the Specified Price and the Execution Price
Transaction cost	Total Premium. The quotations of the types of transactions presented below may include a mark-up indicated on mBank’s website: https://www.mbank.pl/pdf/mosp-korporacje/rynki-finansowe/informacja-markup.pdf .

Potential result on the strategy on the settlement day for the buyer of the Asian Commodity Option (put)

Specified price	Hedged item value	Purchase of the Asian Commodity Option (PUT)			Hedging effect
		Option premium	Settlement amount	Effective selling price	
233,00	116 500,00	-3 000,00	0,00	227,00	113 500,00
228,00	114 000,00	-3 000,00	0,00	222,00	111 000,00
223,00	111 500,00	-3 000,00	0,00	217,00	108 500,00
218,00	109 000,00	-3 000,00	0,00	212,00	106 000,00
213,00	106 500,00	-3 000,00	0,00	207,00	103 500,00
208,00	104 000,00	-3 000,00	0,00	202,00	101 000,00
203,00	101 500,00	-3 000,00	0,00	197,00	98 500,00
198,00	99 000,00	-3 000,00	0,00	192,00	96 000,00
193,00	96 500,00	-3 000,00	0,00	187,00	93 500,00
188,00	94 000,00	-3 000,00	0,00	182,00	91 000,00
183,00	91 500,00	-3 000,00	0,00	177,00	88 500,00
178,00	89 000,00	-3 000,00	2 500,00	177,00	88 500,00
173,00	86 500,00	-3 000,00	5 000,00	177,00	88 500,00
168,00	84 000,00	-3 000,00	7 500,00	177,00	88 500,00
163,00	81 500,00	-3 000,00	10 000,00	177,00	88 500,00
158,00	79 000,00	-3 000,00	12 500,00	177,00	88 500,00
153,00	76 500,00	-3 000,00	15 000,00	177,00	88 500,00
148,00	74 000,00	-3 000,00	17 500,00	177,00	88 500,00
143,00	71 500,00	-3 000,00	20 000,00	177,00	88 500,00
138,00	69 000,00	-3 000,00	22 500,00	177,00	88 500,00
133,00	66 500,00	-3 000,00	25 000,00	177,00	88 500,00

In EUR

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Investment in commodity options poses risk and does not guarantee that the expected investment target will be achieved or that a specific investment result will be earned. The Client should be aware of the fact that the conclusion of the transaction referred to in this material poses a risk of incurring an unlimited loss. mBank S.A. guarantees neither the return of the invested funds, nor the achievement of profit or economic effect expected by the Client.

When considering whether to conclude the transaction, the Client should take into account in particular: market risks, legal risk, financial leverage effect, potentially high volatility of prices and valuations of transactions, collateral-related requirements and risk of assuming a financial obligation as a result of concluding the transaction. For detailed risk descriptions, terms and conditions for the provision of services and fees connected with concluding the transaction see the Principles of Cooperation or the Terms and Conditions of Cooperation, the Transaction Rules or the Transaction Descriptions appended to the Framework Agreement or visit mBank's website: <https://www.mbank.pl/pomoc/dokumenty/msp-korporacje/rynki-finansowe/>.

mBank S.A. is not liable for the Client's investment decisions and their consequences, in particular for the loss incurred by the Client (both actual loss and lost profits). In this material mBank S.A., in accordance with its knowledge of the market and expertise, presents risks connected with the transaction referred to in the material.

A transaction intended to hedge against financial risk of the Client should match the open commodity position of the Client's company in terms of notional principal and maturity date. A mismatch between a financial transaction and the company's cash flow structure on the transaction date or on the maturity date (e.g. caused by a change in the company's economic situation due to the expiration of the underlying commercial contracts) may pose additional risk (speculative position).

This material is not investment advice, advice or recommendation to buy or sell specific financial instruments. The scenarios presented herein are based on exemplary data intended to present how market price fluctuations impact on the settlement result under various market conditions (both positive and negative). In the case when the Client intends to conclude the transaction, mBank S.A. does not guarantee that it will be based on identical parameters and quotations as the transactions referred to in this material. In particular, it should be taken into account that the market volatility may be considerably higher than that presented in this material.

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