LIST OF THE NON-COMPLEX FINANCIAL INSTRUMENTS

Non-complex financial instruments - financial instruments as referred to in subparagraphs a) - e) of the Article 126.[2] (12) (1) of the Law on the Financial Instruments Market:

a) shares admitted to trading on a EU regulated market or a third-country market considered as equivalent to a regulated market in the EU, or traded on a multilateral trading facility (MTF), except for shares embedding a derivative instrument;
b) bonds or other debt instruments admitted to trading on a EU regulated market or a third-country market considered as equivalent to a regulated market in the EU, or traded on a MTF, except for those embedding a derivative instrument or incorporating a structure making it difficult for the client to understand the risk;
c) money market instruments, except for those embedding a derivative instrument or incorporating a structure making it difficult for the client to understand the risk;
d) shares or units in UCITS, excluding structured UCITS as referred to in the second subparagraph of Article 36(1) of Regulation (EU) No 583/2010
e) structured deposits, excluding those that incorporate a structure which makes it difficult for the client to understand the risk of return or the cost of exiting the product before term
f) other non-complex financial instruments which satisfies the following criteria:
   - it does not fall within Article 4(1)(44)(c) of Directive 2014/65/EU – "any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures", or points (4) to (11) of Section C of Annex I to Directive 2014/65/EU;
   - there are frequent opportunities to dispose of, redeem, or otherwise realise that instrument at prices that are publicly available to market participants and that are either market prices or prices made available, or validated, by valuation systems independent of the issuer;
   - it does not involve any actual or potential liability for the client that exceeds the cost of acquiring the instrument;
   - it does not incorporate a clause, condition or trigger that could fundamentally alter the nature or risk of the investment or pay out profile, such as investments that incorporate a right to convert the instrument into a different investment;
   - it does not include any explicit or implicit exit charges that have the effect of making the investment illiquid even though there are technically frequent opportunities to dispose of, redeem or otherwise realise it;
   - adequately comprehensive information on its characteristics is publicly available and is likely to be readily understood so as to enable the average retail client to make an informed judgment as to whether to enter into a transaction in that instrument.

Examples of Non-complex financial instruments:

- Bonds admitted to trading on a EU trading venues or a trading venues considered as equivalent to a trading venue in the EU;
- Notes and other debt instruments;
- Shares admitted to trading on a EU trading venues or a trading venues considered as equivalent to a trading venue in the EU (incl. ADR, GDR, ETF (UCITS));
- Money market instruments;
- Money market open UCITS funds;
- Fixed income instruments admitted to trading on a EU trading venues or a trading venues considered as equivalent to a trading venue in the EU (excl. bonds and debt instruments that embed a derivative);
- UCITS funds;
- Open bonds UCITS funds;
- Open balanced UCITS funds;
- Open shares UCITS funds;
- Other open UCITS funds.

Such financial instruments **shall not be considered** as Non-complex financial instruments:

Instrument's category	**List of examples**
Debt instruments embedding a derivative instrument	a) convertible and exchangeable bonds b) indexed bonds and turbo certificates c) convertible bonds d) bonds with the rights of the issuer to repurchase before maturity and bonds with the investor's right to request early redemption e) loan-linked bonds f) warranty option agreement
Debt instruments incorporating a structure making it difficult for the client to understand the risk	a) Debt instruments whose yield depends on the return on a given set of assets (portfolio). Examples: asset-backed securities and asset-backed commercial securities, mortgage-backed securities, securities secured by commercial mortgages, secured debt instruments. b) Debt instruments whose cancellation depends on the repayment of debt held by other persons. Examples: - downstream debt instruments; - Certificates (as defined in Article 2 (1) (27) of MiFID II). (c) Debt instruments where the issuer has the discretion to change the cash flow of the instrument. (d) Debt instruments without a specific repayment date or maturity. Examples: indefinite maturity bonds. (e) Debt instruments with an unusual or unknown base asset. Examples: - debt instruments whose value depends on the value of the underlying asset, such as non-public standards, synthetic indices, niche markets, highly technical indicators (including price fluctuations and combinations of variables); - disaster bonds. (f) Debt instruments with complex mechanisms for the determination or calculation of profitability. Examples: Debt instruments structured in such a way that the expected revenue flow can often and / or significantly change over the life span of the instrument due to the observance of certain predefined thresholds or the achievement of certain time periods. (g) Debt instruments structured in such a way that full repayment of principal can be not envisaged: - debt instruments included in the internal recapitalization (h) Debt instruments issued by the special purpose vehicle in circumstances where the name of the debt instrument or the legal name of the special purpose vehicle may mislead investors as to the identity of the issuer or guarantor: (i) Debt instruments with complex guarantee mechanisms. Examples: - debt instruments with a guarantee mechanism if the guarantor's obligations arise depending on one or several conditions in addition to the default of the issuer; - Debt instruments with a guarantee mechanism if the amount of the guarantee or the actual liability of the guarantor is subject to time limits. (j) Debt instruments with leverage functions.P
Structured deposits, which include a structure that makes it difficult for the client to understand the risk of return	Structured deposits in cases where: (a) more than one variable has an impact on profitability. Examples: - structured deposits, where the basket of instruments or assets must exceed the indicated benchmark for the payment of income; - structured deposits, where the profitability is determined by a combination of two or more indices.

	(b) There is a complex relationship between profitability and the relevant variable or mechanism that determines or calculates profitability. Examples: - structured deposits are structured so that the mechanism by which the index price level is reflected in profitability includes different market data points (i.e., one or more indicators or conditions) or multiple index measurements at different dates; - structured deposits are structured in such a way that capital gains or interest payments increase or decrease in certain circumstances; - structured deposits are structured in such a way that expected revenue streams can often and / or significantly change over different periods of time during the life of the instrument. (c) the variable used to calculate the yield is unknown or unusual to the average private investor. Examples: structured deposits, where the yield is related to the niche market, the firm's own index or other non-public benchmark, synthetic index or highly technical indicator, such as asset price volatility. (d) the contract gives the credit institution unilateral right to terminate the contract before maturity.
Structured deposits that include a structure that makes it difficult for the client to understand the cost of early termination	Structured deposits in cases where: (a) the cancellation fee is not a fixed amount. Examples: - structured deposits with a variable or "maximum" termination rate (i.e. a fee of up to € 300 in case of early termination); - structured deposits used to calculate the cancellation fee by variable factors such as interest rate. (b) the termination fee is not a fixed monthly amount fixed up to a specified time limit. Examples: - structured deposits with a variable or "maximum" termination rate, which is retained by the due date (i.e. a monthly fee of up to EUR 50 in case of early termination); (c) the termination fee is not expressed as a percentage of the amount initially invested. Examples: - structured deposits with a termination fee, which is at least equal to the amount of profit accumulated before the early termination date.

Examples of financial instruments that **<u>are not considered</u>** as Non-complex Financial Instruments:

- Currency Swaps and Currency Forward with physical delivery of the underlying asset;
- investment certificates of closed-end investment funds;
- Other investment certificates of investment funds, funds not included in UCITS funds;
- Interest rate swaps (IRS);
- NDF - Non deliverable forwards;
- Marginal Currency Transactions - FOREX (Currency Exchange, Transactions with Precious Metals - BULLION) on SPOT and FORWARD;
- Marginal transactions - transactions with stock derivative financial instruments (futures and options for futures);
- OTC transactions - over the counter derivative transactions. Over the counter swaps - OTC swaps;
- REPO transactions, REVERSE REPO transactions;
- Transactions with the granting of broker's credit (margin loan) - short positions opening;
- Options transactions;
- Financial Contracts for Difference (CFD);
- Structured financial products with a principal repayment guarantee;
- All other investment funds - hedge funds, etc.;
- FI short selling.