

EMPLOYEE CAPITAL PLANS (PPK)

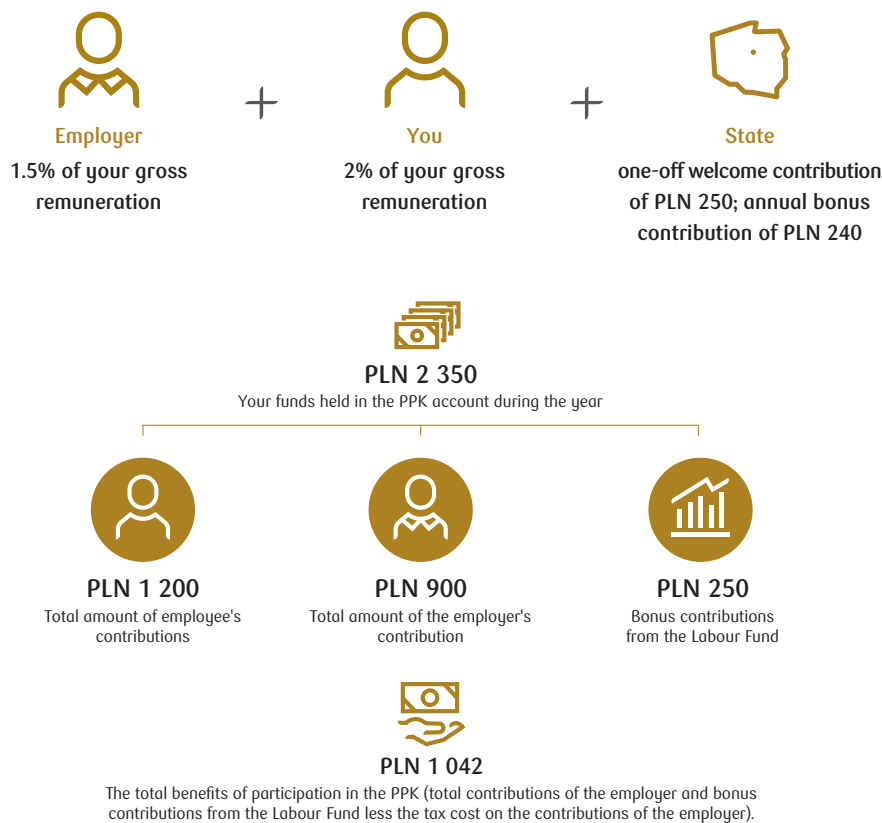


DEAR EMPLOYEE!

Your employer has set up a PPK in cooperation with PKO TFI S.A. (PKO TFI). It is a voluntary program to pool additional funds for your future. PPK is a private program – the funds accumulated on your account are your property.

If you are between 18 and 54 years of age, you do not need to do anything – the employer will enrol you to the Employee Capital Plan (PPK). However, if you are more than 55 years old but under 70, and you would like to enrol to the Plan, you should talk to your employer.

WHO CONTRIBUTES TO YOUR PPK PENSION?



ASSUMPTIONS OF THE ABOVE SIMULATION:

- For calculations, were based on a monthly remuneration of PLN 5 000.
- In total, 12 contributions are made in the next 12 months.
- The image shows the amounts rounded to full PLN.
- The funds indicated as deposited in the PPK account do not take into account the result on investments in the Fund.
- The contribution to the PPK consists of:
 - welcome bonus contribution of PLN 250 from the Labour Fund;
 - employee's contribution of 2% of gross monthly remuneration, i.e., PLN 100 per month;
 - employer's contribution 1.5% of gross monthly remuneration, i.e., PLN 75 per month;
 - for calculation of the amount of tax on the employer's contributions, 12% PIT rate was applied.

HOW TO ACCESS YOUR PPK ACCOUNT?

You will access your PPK account and the transaction history via:



IKO mobile application



iPKO electronic banking system



i-Fundusze [i-Funds] online service

IKO Application – it can be downloaded to your phone from the app store on your device. Enter the phrase “**IKO**” or “**PKO**” and search for the **IKO** application.

After logging into **IKO**, go to: **Moje produkty** [My products] → **Inwestowanie** [Investments] tab → select **PPK**.

You can also check the PPK current balance and the history of transactions in the electronic banking system of PKO Bank Polski SA – **iPKO** (www.pkobp.pl).

After logging into **iPKO**, go to: **Moje produkty** [My products] → **Inwestowanie** [Investments] tab → select **PPK**.

You can view the PPK register in **IKO** and **iPKO** even without an account (bank account) with PKO Bank Polski SA – you just need to submit the [Application for access to IKO or iPKO without an account](#) in an electronic form.

The **i-Fundusze** [i-Funds] **service** offers the widest access to information about the PPK account. You will also be able to submit certain orders and instructions.

You can access the service on the www.pkotfi.pl website, by clicking the **Zaloguj się do i-Fundusze** [Log into i-Funds] button in the top right-hand corner of the website. Access can also be obtained by going directly to the i-fundusze.pl website, and clicking the **Pierwsze logowanie Uczestnik indywidualny** [First individual Participant login]. Then enter an 8-digit login ID (you will find it in the welcome letter) and follow the instructions on the screen. Information about the first login is available [here](#).

GO TO YOUR EMPLOYER'S HR DEPARTMENT IF YOU WANT TO:

- Apply to join PPK and you are between 55 and 69 years of age;
- Set up, cancel or change the level of your voluntary additional contribution to your PPK;
- Transfer funds accumulated in PPK with your previous employers to PPK held with your current employer;
- Change the amount of your basic contribution if your income from all places of employment is less than 120% of the minimum remuneration;
- Resign from making contributions to PPK;
- Resume making contributions to PPK after you have previously resigned.

HOW DO WE INVEST MONEY IN PPK?

Funds in the PPK are invested in the actively managed fund called PKO Pension – specialised open-end investment fund/soif (PKO Emerytura – sfo), which is composed of 9 sub-funds of a defined date. The investment policy of each sub-fund considers the participant's age and time until they reach the age of 60.

Therefore, the composition of the sub-fund portfolio differs in order to properly use the time, adjusting for age, and invest with a higher return potential, but subject to higher investment risk. With the participant approaching the retirement age, the investment risk is reduced to protect the capital accumulated so far.

- **During the PPK registration process you will be assigned to the correct sub-fund according to your age. This increases your chance of achieving satisfactory rates of return while reducing the level of investment risk.**
- **You can change the sub-fund yourself at any time, according to your preferences, without additional fees.**

REMEMBER!

As a PPK participant in PKO TFI you also get access to promotional offers of entities from the PKO Bank Polski Group of Companies! Ask your employer for details.

Information on the risks associated with investing in the investment funds:

PKO TFI makes every effort to reduce the risks associated with investing in investment funds. Nevertheless, when investing in PKO Pension – soif (PKO Emerytura – sfio) sub-funds, it should be borne in mind that the benefits of investing funds in PKO Pension – soif (PKO Emerytura – sfio) participation units are accompanied by risks, such as the risk of failure to achieve the expected return on investment, the occurrence of circumstances beyond the fund participant's control, e.g., operating circumstances, as well as the risk of inflation, liquidity and regulatory changes and liquidation of the fund (sub-fund).

Among the risks associated with investing, particular attention should be paid to the risks relating to the investment policy, including, but not limited to: market risk, interest rate risk, currency risk, credit risk, risk related to derivatives, concentration risk, as well as settlement risk and deposit liquidity risk. In addition, increased volatility of asset class prices and rates of return of managed sub-funds may be also affected by military operations conducted in Ukraine, possible terrorist acts related to this conflict and pandemic events.

Moreover, for specific PKO Pension – soif (PKO Emerytura – sfio) sub-funds, there may be specific risks specific only for these sub-funds.

For this reason, in order to properly assess the risks of investing funds in the PKO Pension – soif (PKO Emerytura – sfio) fund's participation units, you should carefully read the investment policy, description of risks, and the investor profile contained in the prospectus or the Key Information Documents (KID).

In particular, it is recommended to get acquainted with the overall risk index (on 1 to 7 scale, where 1 corresponds to the lowest risk and 7 to the highest risk). This index shall be an indication of the risk level of this product compared to other products and shows the probability of losing the money invested due to market changes or as a result of inability to pay out the invested funds. It considers several risks.

Its calculation is based on the volatility of return rates in the recommended investment maintenance period. It is recommended that the expected investment period should not be shorter than the recommended maintenance period. Together with the overall risk index, it is recommended to become acquainted with the scenarios of the sub-fund's results. The overall risk index, performance scenarios and recommended maintenance period are included in the KID document.

ACCESS TO MONEY



When you reach the age of 60, you can withdraw the accumulated money regardless of your professional activity. You will be able to withdraw 25% of the accumulated funds on a one-off basis without paying any tax, and you will receive the remainder as a monthly payment spread over at least 10 years. You can also withdraw your savings on a one-off basis, but 75% of the amount paid will be subject to income tax on capital gains.



PPK is a voluntary program, which means that you can resign from making contributions at any time (funds left on the register are still earning interest). You can also withdraw the saved money at any time, i.e. make a so-called refund. In this case, you lose the benefits associated with participation, such as subsidies from the Labour Fund, and 30% of the funds from contributions financed by the employer will be transferred to the Social Insurance Institution and recorded on your Social Insurance Institution account as a pension insurance contribution, and an income tax on capital gains will be paid.



A withdrawal before the age of 60 is also possible without opting out of PPK. Keep this in mind in case of life situations such as:

- purchase of an apartment/building a house using a loan (up to 100% of the value of the funds as own contribution), provided that you return the funds later (this applies to people up to the age of 45),
- in case of your, your spouse's or your child's serious illness (up to 25% of the value of the funds), without the obligation to return the funds.



PPK also means protects your loved ones – funds accumulated in PPK are inheritable and exempt from inheritance and donation tax.

GLOSSARY

PARTICIPATION UNIT (P.U.)

The basic unit that determines the value of a share in the fund's net assets. The funds paid by a participant to the fund are converted into such units. A participation unit is neither a security nor any other physically existing document. However, it is a legal title which enables the participant to participate in both the assets of the fund and its income.

MANAGEMENT FEE

Sub-fund management fee, which we include in the daily valuation of the sub-fund participation units. The maximum amount of the management fee can be found in the information prospectus of the PKO Pension – soif (PKO Emerytura – sfio).

PERFORMANCE FEE

Fee we collect if the sub-fund, as indicated, outperforms the reference rate set in the implementing regulation to the PPK Act. The fee shall not exceed 0.1% of the net value of the sub-fund assets per year. Details are available in the prospectus of PKO Pension – soif (PKO Emerytura – sfio).

KEY INFORMATION DOCUMENT (KID)

A legal document that is a set of basic information which is necessary to make an informed investment decision, enabling you to know the nature of the sub-fund, understand the risks involved and facilitate a comparison with other products. Basic data about the sub-fund, such as its investment policy, profile, risks, costs, performance information and certain other specific information that may be necessary to understand the characteristics of the different types of sub-funds, have been presented in a way that is understandable to customers.

LEGAL NOTE

This is an advertising message. Before making final investment decisions, please read the information prospectus of the fund and the Key Information Document (KID). The data provided herein does not constitute an offer in the meaning of Article 66 of the Polish Civil Code Act of 23 April 1964 nor an investment consulting service or recommendations relating to financial instruments or their issuers in the meaning of the Act on Trading in Financial Instruments of 29 July 2005, nor is it a form of tax consulting services, legal assistance, or insurance distribution.

An investment in specialised open-ended investment funds involves the purchase of participation units. The PKO Pension – soif (PKO Emerytura – sfio) fund does not guarantee the achievement of the intended investment objective or obtaining a specific investment result. The possibility of losing at least part of the funds deposited must be taken into account. A detailed description of risk factors associated with investing in participation units of sub-funds separated within the framework of PKO Pension – soif (PKO Emerytura – sfio) is contained in the information prospectus available on the website www.pkotfi.pl under the link www.pkotfi.pl/dokumenty-do-pobrania/prospekty-informacyjne/ and the KID, available on the website www.pkotfi.pl under the link www.pkotfi.pl/dokumenty-do-pobrania/kid/. Both the information prospectus and the KID are only available in Polish.

A summary of the rights of investors in the PKO Pension – soif (PKO Emerytura – sfio) fund is included in the relevant provisions of the information prospectus in chapter III Rights of Fund Participants. The summary of the investors' rights is available in Polish.

Prior to making an investment, please refer to the contents of the information prospectus and the KID of individual sub-funds designated as part of PKO Pension – SOIF (PKO Emerytura – sfio).

The product is addressed to those accepting a medium investment risk. Due to the composition of the portfolio and the management strategy pursued, the participation unit value may be subject to volatility. The results that may be obtained are set out in the KID documents in the section: What are the risks and possible benefits. The sub-funds may invest more than 35% of their assets in monetary market instruments issued, guaranteed, or underwritten by the National Bank of Poland or the State Treasury.

PKO TFI does not in any way offer the discounted products referred to in this material or act as an intermediary in offering them. Each of the entities in the PKO Bank Polski Group of Companies offers its products and services independently.

Taxation related to investment in participation units of funds depends on the individual situation of the customer and may change in the future. In order to determine tax obligations, it is advisable to seek advice from a tax advisor or legal advice.

You should not treat this message as the sole basis for your decision to join the PPK in cooperation with PKO TFI. Information on the PPK offered by PKO TFI is contained in the „Regulations of conducting and managing Employee Capital Plans by PKO Pension – soif (PKO Emerytura – sfio)”. The principles of using the i-Funds service are contained in the „Principles for placing orders via the IAT FI system applicable to investment funds managed by PKO Towarzystwo Funduszy Inwestycyjnych S.A.”.

Copyright arising from this material is vested in PKO TFI.

No part of this document may be copied or circulated without the consent of PKO TFI. This material may not be recreated or stored in any retrieval system: electronic, magnetic, optical, or other, which does not adequately protect its content from unauthorised access.

The use of this document by unauthorised persons or persons acting in breach of the above principles without the consent of PKO TFI, expressed in writing, may give rise to relevant claims.

PKO TFI S.A. (PKO TFI) is acting on the basis of an authorisation from the Polish Financial Supervision Authority.

PKO Towarzystwo Funduszy Inwestycyjnych S.A. with its registered office in Warsaw, address: ul. Świętokrzyska 36, 00-116 Warsaw, entered in the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register under KRS number 000001938. Share capital (paid-up capital) of PLN 18,460,400. Tax ID No (NIP) 526-17-88-449. PKO TFI S.A. operates on the basis of a permit issued by the Polish Financial Supervision Authority.

Any additional information will be provided upon individual request.

CONTACT

- Contact PKO TFI Helpline:
+48 801 32 32 80
and
+48 22 358 56 56
(Monday – Friday 8:00 a.m. – 7:00 p.m.).
Calls are charged at your operator's rates.
- Log in to your account at PKO TFI:
www.i-fundusze.pl.
- Visit one of PKO Bank Polski branches across the country. The nearest branch of PKO Bank Polski: **www.pkobp.pl/poi/**.
- You can also access your PPK account via the PKO Bank Polski **iPKO** electronic banking system and the **IKO** mobile application.