Central Securities Depositories Regulation Article 38 CSD Participant Disclosure

February 2020

Deutsche Bank Polska S.A.

CSD Participant Disclosure

Introduction

This Disclosure relates to Deutsche Bank Polska S.A.

Throughout this document references to "DBP", "we", "our" and "us" are references to Deutsche Bank Polska S.A., acting as participant in the CSD. References to "you" and "your"' refer to the Client.

What is the purpose of this document?

The purpose of this document is to disclose the levels of protection associated with the different levels of segregation that we provide in respect of securities that we hold directly for Clients with Central Securities Depositories within the EEA ("***CSDs***"), including a description of the main legal implications of the respective levels of segregation offered and information on the insolvency law applicable. This disclosure is required under Article 38 of Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories (the "Central Securities Depositories Regulation" or "***CSDR***") in relation to CSDs in the EEA.

Under CSDR, the CSDs of which we are a direct participant (see glossary[1]) have their own disclosure obligations and we include a list of such CSDs together with a link to their respective websites below.

This document is not intended to constitute legal or other advice and should not be relied upon as such. Clients should seek their own legal or other advice if they require any guidance on the matters discussed in this document.

Background

We record each client's individual entitlement to Client's securities. As a CSDs participant, we currently make two types of accounts with CSD available to clients: Individual Client Segregated Accounts ("***ISAs***") and Collective Accounts which constitute a kind of Omnibus Client Segregated Accounts ("***OSAs***").

ISA: An ISA is used to register the securities of a single client and therefore the client's securities are registered separately from the securities of other clients and our own proprietary securities.

OSA: An OSA is used to hold the securities of a number of clients on a collective basis. DBP does not hold our own proprietary securities in OSAs

What are you required to do?

The requirements of CSDR provide that approved CSDs and consequently their participants are obliged to provide clients with the choice of having their securities registered with either (i) an OSA or (ii) an ISA at the relevant approved CSD. Where we are a direct participant in the relevant CSD, you may therefore elect whether we register your securities with the relevant CSD in an OSA or an ISA.

Information regarding the costs and charges associated with the provision of each account is provided in the relevant Costs Disclosure here: https://www.db.com/poland/pl/content/klienci--korporacyjni.html. Additionally, please review this disclosure, which sets out the risks associated with operating the two types of accounts.

Important Information

Whilst this document will be helpful to you when deciding whether you wish us to register your securities with an OSA or an ISA, this document does not constitute legal or any other form of advice and must not be relied on as such. This document provides a high level analysis of several complex and/or new areas of

[1] At the end of this document is a glossary explaining some of the technical terms used in the document.

law, whose effect will vary depending on the specific facts of any particular case, some of which have not been tested in the courts. It does not provide all the information you may need to make your decision on which account type or level of segregation is suitable for you. Nothing contained herein should be considered an offer, or an invitation to offer or a solicitation or a recommendation by us for a particular account type, level of segregation or transaction and no representation or warranty is made as to the accuracy or completeness of the disclosure provided. It is your responsibility to review and conduct your own due diligence on the relevant rules, legal documentation and any other information provided to you on each of our client account offerings and those of the various CSDs at which we settle transactions for you. Before entering into any arrangement you should be aware that certain transactions give rise to substantial risks and are not suitable for all investors. You may wish to appoint your own professional advisors to assist you.

DEUTSCHE BANK POLSKA S.A. SHALL NOT IN ANY CIRCUMSTANCES BE LIABLE FOR ANY LOSSES OR DAMAGES THAT MAY BE SUFFERED AS A RESULT OF CLIENT'S ACTIONS OR OMMISSIONS THROUGH THE RESULT OF THE USE OF THE INFORMATION CONTAINED HEREIN OR AS A RESULT OF DIFFERENT INTERPRETATION OF THE APPLICABLE LEGISLATIVE PROVISIONS. THIS PARAGRAPH DOES NOT EXTEND TO AN EXCLUSION OF LIABILITY FOR FRAUDULENT MISREPRESENTATION.

Please note that this document explains the application of the Polish law, as the law that would govern any insolvency proceedings relating to Deutsche Bank Polska S.A. and the law governing rules of the Polish CSD. However, issues under other laws may be relevant to your due diligence. For example, the law governing the relationship between you and us.

Nothing contained herein is intended to create or shall be construed as creating a fiduciary relationship between you and us. You are not permitted to reproduce in whole or in part the information provided in this document without our prior written consent. Information provided herein may be a summary or translation and is subject to change without notice.

Main legal implications of levels of segregation

1. Insolvency

Clients' legal entitlement to the securities that we register for them directly with CSDs would not be affected by our insolvency, whether those securities were held in ISAs or OSAs.

The distribution of the securities in practice on an insolvency would depend on a number of factors, the most relevant of which are discussed below.

2. Application of Polish insolvency law

Were we to become insolvent, our insolvency proceedings would take place in Poland and be governed by the Polish insolvency law.

Under the Polish insolvency law, securities that we hold on behalf of clients would not form part of our estate on insolvency for distribution to creditors, provided that they remained the property of the clients.[2] As a result, it would not be necessary for clients to make a claim in our insolvency as a general unsecured creditor in respect of those securities.

Securities that we hold on behalf of clients (other than securities in respect of which Deutsche Bank Polska S.A. is the issuer) and that remained the property of those clients should also not be subject to any bail-in process (see glossary), which may be applied to us if we were to become subject to resolution proceedings (see glossary). Further information on bank resolution and bail-in is provided at the following website: *https://www.bfg.pl/en/resolution/resolution-in-questions-and-answers/*
Accordingly, where we hold securities in custody for clients and those securities are considered the property of those clients rather than our own property, they should be protected on our insolvency or resolution. This applies whether the securities are held in an OSA or an ISA.

3. Nature of clients' interests

Under the Polish law, we are required, to protect the client's legal position (proprietary interest) in its securities which we hold in custody, and to separate the client's legal position from our own rights.

It should be noted that the nature of clients' interests in ISAs and OSAs is different. ISA is used to hold the securities of a single client and therefore the client's securities are held separately from the securities of other clients and the DBP's own proprietary securities.
OSA is used to hold securities of a number of clients on a collective basis and each client is normally considered to have an undivided beneficial interest in all securities in the account proportionate to its holding of securities as recorded in DBP books and records. However, DBP does not hold its own proprietary securities in OSAs. Unless it is required by law or CSD regulations, an OSA holder is not obligated to provide CSD with the information about owners of securities registered in an OSA.

Our books and records constitute evidence of our clients' proprietary interests in the securities (provided that, the books and records of the account holder may be also needed to prove the entitlement of the owner whose securities are recorded on the OSA - see below). The ability to rely on such evidence would be particularly important on insolvency. In the case of either an ISA or an OSA, an insolvency practitioner may require a full reconciliation of the books and records in respect of all securities accounts prior to the release of any securities from those accounts.

Under the Polish law we are required to maintain accurate books and records, which enable us to distinguish securities held for one client from securities held for any other client, and from our own securities. We are also subject to regular audits in respect of our compliance with those rules. As long as books and records are maintained in accordance with the applicable rules, clients should receive the same level of protection from both ISAs and OSAs. Please remember that in a case of an omnibus securities

[2] When a client has sold, transferred or otherwise disposed of their legal entitlement to securities that we hold for them (for example, under a right to use or title transfer collateral arrangement), the securities will no longer be the property of the client.

account maintained in our books, which then is being held as an ISA or an OSA, the data in our books and records about owners of the securities recorded in an account are based on information provided by an account holder. There is a possibility that our data about owners may be incomplete, outdated or different than data in books and records of an account holder. Therefore in case of our insolvency the process to confirm each owner entitlement to securities registered in an account may be time consuming, which could give rise to delays in returning those securities.

4. Shortfalls

If there were a shortfall between the number of securities that we are obliged to deliver to clients and the number of securities that we register on their behalf in either client's ISA or relevant OSA, this could result in fewer securities than clients are entitled to on our insolvency. The way in which a shortfall could arise and would be treated may be different as between ISAs and OSAs (see further below).

How a shortfall may arise

A shortfall could arise for a number of reasons, including as a result of administrative error, operational issues, intraday movements or counterparty default following the exercise of rights of reuse. A shortfall may also arise where securities belonging to one client are used or borrowed by another client for intra-day settlement purposes.

Where a client has requested us to settle a transaction and that client has insufficient securities held with us to carry out that settlement, we will only carry out the settlement once the client has delivered to us the securities needed to meet the settlement obligation.

A shortfall could arise otherwise than due to our activity for our clients. A shortfall may arise if a resolution of a general meeting of a public company on the increase of company's share capital is repealed or declared invalid and the newly issued shares have already been assigned the same CSD code as other shares of that company. In that case if the reduction of nominal value of shares with the same code is not possible the total number of shares with the same CSD code would be subject to reduction. Under abovementioned circumstances all our client accounts on which shares of that public company are registered would be affected to the same extent.

Treatment of a shortfall

If a shortfall arose, clients may have a claim against us for any loss suffered. The treatment of shortfalls, and resulting loss are different and depend on whether a client's securities are held in an ISA or OSA (legal nature of clients' interests in an ISA differ from the nature of clients' interest in an OSA).

The whole of any shortfall and resulting loss on an ISA would be attributable to the client for whom the account is held and would not be shared with other clients for whom we hold securities. Furthermore the client would not be exposed to a shortfall on an account held for another client or clients.

In a case of an OSA, the shortfall and resulting loss, in most cases, would be allocated among all clients with an interest in that security in the account.

If we were to become insolvent prior to covering a shortfall, clients may have a claim in our insolvency proceedings. In situation like this clients would rank as general unsecured creditors for any amounts owing to them in connection with such a claim. Clients would therefore be exposed to the risks of our insolvency, including the risk that they may not be able to recover all or part of any amounts claimed.

In order to calculate clients' shares of any shortfall in respect of an OSA, each client's entitlement to securities would need to be established as a matter of law and fact based on our books and records and , in case of an omnibus account being held in our books, based on books and records of an omnibus account holder. After that the shortfall would be allocated among the clients, proportionally to each client interest in OSA. It may therefore be a time consuming process to confirm each client's entitlement. This could give rise to delays in returning securities and initial uncertainty for a client as to its actual entitlement on an insolvency.

5. CSD participation

Set out below is a list of CSDs in which we are a direct participant together with links to their current websites, each as at the date of this document. The information contained on such websites is provided by the CSD. We have not investigated or performed due diligence on such information and clients rely on it at their own risk.

CSD Participant	Jurisdiction	CSD	Link to the CSD website
Deutsche Bank Polska S.A.	Poland	Krajowy Depozyt Papierów Wartościowych S.A.	www.kdpw.pl
		SKARBNET4 w Narodowym Banku Polskim	http://www.nbp.pl/home.aspx?f=/SKARBNET4/SKARBNET4.html

GLOSSARY

Bail-in or Resolution :	Refers to the processes under the Act of 10 June 2016 on the Bank Guarantee Fund, Guarantee Scheme and Resolution applicable to failing Polish banks and investment firms under which the firm's liabilities to clients may be modified, for example by being written down or converted into equity.
Central Securities Depository (CSD):	Refers to an entity, which is authorized to operate a securities settlement system in accordance with the CSDR.
Central Securities Depositories Regulation (CSDR)	EU Regulation 909/2014, which sets out, rules applicable to EEA CSDs and their participants.
Direct Participant:	Means an entity that holds securities in an account with a CSD and is responsible for settling transactions in securities that take place within a CSD. A direct participant should be distinguished from an indirect participant, which is an entity, such as a global custodian, which appoints a direct participant to hold securities for it with a CSD.
EEA:	Means the European Economic Area.