

## **DISCLOSURE POLICY OF CHATHAM FINANCIAL EUROPE SP. Z O.O.**

### **Purpose of Chatham Financial Europe sp. z o.o.'s Disclosure Policy**

1. In view of the obligations imposed on brokerage houses by the Act on Trading in Financial Instruments of July 29th 2005 (**the "Act on Trading in Financial Instruments"**), the Management Board of Chatham Financial Europe sp. z o.o. (**"Chatham"**) hereby adopts this Disclosure Policy of Chatham Financial Europe sp. z o.o. (**the "Policy"**).
2. The purpose of information disclosure is to provide each Chatham shareholder and Chatham clients with information about the risk management system and key corporate governance principles in place at Chatham.

### **Scope of information disclosure**

3. Chatham publishes the following information required to be disclosed under the Act on Trading in Financial Instruments:
  - a) Description of the risk management system and remuneration policy (Article 110w.4 of the Act on Trading in Financial Instruments);
  - b) Information on the fulfilment by members of Chatham's governing bodies of the requirements set forth in Art. 103.1-1h of the Act on Trading in Financial Instruments (Article 110w.4 of the Act on Trading in Financial Instruments).
4. In addition to the information specified in Section 3 above, Chatham may also publish other qualitative and quantitative information it deems appropriate in order to present its risk profile or any information describing Chatham's corporate governance.
5. Chatham is a small and non-interconnected brokerage house within the meaning of Art. 110a.1.10b) of the Act on Trading in Financial Instruments and has no subsidiaries or foreign branches, therefore it does not publish the information referred to in Art. 110w.1 of the Act on Trading in Financial Instruments. The average amount of Chatham's balance sheet assets and off-balance sheet items has not yet reached the zloty (PLN) equivalent of EUR 100,000,000.00. In addition, Chatham does not conduct the activities referred to in Art. 69.2.3, Art. 69.2.7 or Art. 69.2.9 of the Act on Trading in Financial Instruments. Chatham does not issue any additional instruments within Tier 1, as defined by Regulation (EU) No. 2019/2033 of the European Parliament and of the Council of November 27th 2019 on the prudential requirements of investment firms and amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014.

### **Frequency of information disclosure**

6. Chatham shall publish information referred to in Section 3 at least once a year on its financial statements issuance date, either by attaching it to the management board's report on Chatham's operations or by publishing it in such other manner as it deems appropriate.
7. In the performance of its disclosure obligation, Chatham may disclose any information specified in Section 3 more frequently than once a year if Chatham's Management Board determines that such more frequent disclosure is advisable and justified by the interests of Chatham shareholders or clients.

### **Methods of information disclosure**

8. All information specified in Section 3 shall be included in the Management Board's report on Chatham's operations, which is filed in the electronic system of the National Court Register annually, in accordance with generally applicable laws, and then made available to the public through that system.
9. This Policy shall be published on Chatham's website.
10. Information disclosed under this Policy shall be prepared in the Polish language. The information may also be provided in English.

### **Rules governing review and approval of disclosed information that is not audited**

11. Information to be disclosed which is not subject to a financial statements audit conducted by

a qualified auditor within the meaning of the Accounting Act of September 29th 1994 shall be reviewed by the Risk Manager and the Compliance Officer prior to disclosure, and then approved by Chatham's Management Board.

12. Chatham's Management Board may decide to have the information intended for disclosure under this Policy reviewed by an external entity competent to assess the truthfulness and completeness of provided information.

**Rules governing review and amendment of Disclosure Policy**

13. This Policy shall be reviewed at least once each calendar year to ensure it is consistent with Chatham's current business profile and compliant with applicable laws. This Policy shall be reviewed by the Compliance Officer, in consultation with the Risk Manager.
14. Any amendments to this Policy shall be made by way of a resolution of Chatham's Management Board.

## **No consideration of adverse impacts of investment advice on sustainability factors**

Chatham Financial Europe sp. z o.o. ("**Chatham**") is making this disclosure under Article 13 (2) of Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("**SFDR**") as a financial adviser<sup>1</sup>, principally in relation to bespoke OTC interest rate and currency derivatives. Chatham does not provide advice on financial products.<sup>2</sup>

Although interest rate and currency derivatives can significantly contribute to hedging a client's interest rate and/or currency risks associated with a sustainable investment,<sup>3</sup> Chatham does not deem such derivatives as sustainable investments per se. Chatham's clients have thus far not communicated any sustainability preferences<sup>4</sup> in relation to the derivatives instruments Chatham could recommend to them. In addition, Chatham has seen little client interest in sustainability-linked derivatives which embed or create a sustainability-linked cashflow under standard derivatives instruments (like interest rate or cross currency swaps) and use key performance indicators (KPIs) designed to monitor compliance with environmental, social and governance targets. This is because the likely economic benefits related to any KPIs are, so far, minimal. Although Chatham considers general market risks in its investment advice to clients, Chatham currently does not integrate sustainability risks<sup>5</sup> specifically into its investment advice to clients, nor does it consider the principal adverse impacts of such advice on sustainability factors.<sup>6</sup> However, Chatham continues to monitor market and regulatory developments and will update this disclosure accordingly.

## **Integration of sustainability risks into Chatham's remuneration policy**

Article 5 (1) of SFDR requires Chatham, as a financial adviser, to include in its remuneration policy information on how the policy is consistent with the integration of sustainability risks. For the variable remuneration component of the total remuneration paid to Chatham staff who provide investment advice, Chatham considers the future risks Chatham may be exposed to, including sustainability risks. Such risks are environmental risks (e.g., related to climate events and any climate transition efforts), social risks (e.g., related to non-compliance with employment laws and guidance, including health and safety standards) and governance risks (e.g., related to corporate or financial crime).

Date: 8 August 2023

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<sup>1</sup> As defined under Article 2 (11) of the SFDR.

<sup>2</sup> As defined under Article 2 (12) of the SFDR.

<sup>3</sup> As defined under Article 2 (17) of the SFDR.

<sup>4</sup> As defined under Article 2 (7) of Commission Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU, as amended by Commission Delegated Regulation (EU) 2021/1253

<sup>5</sup> As defined under Article 2 (22) of the SFDR.

<sup>6</sup> As defined under Article 2 (24) of the SFDR.