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## **European Securities and Markets Authority (ESMA) Guidelines on the MiFID II/ MiFIR obligations on market data**

The purpose of this document is to describe the costs that BondSpot S.A. (BondSpot, the Company) takes into account when determining the fee for the sale of exchange information in accordance with ESMA's Guidelines for establishing consistent, efficient and effective supervisory practices within the European System of Financial Supervision (ESFS) and for ensuring the common, uniform and consistent application of the provisions in Articles 13, 15(1) and 18(8) of MiFIR and Articles 64(1) and 65(1) and (2) of MiFID II.

BondSpot collects, processes and sells information concerning the financial markets operated within the WSE Group. BondSpot's status as the primary source of turnover data, its strong brand and diversified business operations allow the Company to successfully reach out to various groups of market participants with advanced information tailored to individual needs.

### **Information on setting the price for the sale of information taking into account costs and an explanation of the cost accounting methodology**

1. The price for the sale of information is set by the Company taking into account:
  - 1.1. The Company's operating expenses, including depreciation and amortisation charges, telecommunication connections, employment, lease of premises used for the Company's core business, as well as maintenance of infrastructure in accordance with the contingency and business continuity plans, use of premises by the Company, and other operating expenses of the Company.
  - 1.2. Elimination from operating expenses of the costs of projects implemented by the Company as items do not impact the cost of production of stock exchange information. The costs of projects are recognised as costs of information production after the project implementation phase is completed and once the production phase is initiated.
2. The costs referred to in point 1. are divided by the Company into:
  - 2.1. Direct costs, i.e., costs attributable exclusively to the generation and sale of information, e.g., salaries and benefits of the staff of the Exchange Information Department and other operating costs generated by the Exchange Information Department, e.g., external services, including consulting services, purchase of news services, training and other costs such as membership fees, office supplies, professional journal subscriptions.
  - 2.2. Other operating expenses, excluding those described in point 2.1., are accounted for by the Company using an allocation key based on operating income taking into account the share of income from the sale of information in total income. Those include the costs of operations supporting the sale of information, such as financial, accounting, legal, administrative, compliance operations.
3. When setting fees for exchange data, the Company also takes into account the following factors:
  - 3.1. The economic value of the data for clients.
  - 3.2. The level of fees charged by other comparable EU exchanges (the Company's fees for market data do not differ from those of other European exchanges).

4. The selling price of exchange information is set by the Company on the basis of and taking into account points 1 to 3 as the cost of production of the product sold and taking into account the level of fees including a profit mark-up corresponding to a reasonable margin, determined in transactions between unrelated parties.

The methodology is summarised in the table below.

Article 89(2)(e) of Delegated Regulation (EU) No 2017/565 and Article 11(2)(e) of Delegated Regulation (EU) No 2017/567	<b>Information on cost accounting methodology: year 2020</b>	
	Information on how the price was set, including the cost accounting methodologies used and information about the specific principles according to which direct and variable joint costs are allocated and fixed joint costs are apportioned	1. Operating expenses of the Exchange Information Sales Department.
		2. Elimination from operating expenses of the costs of projects carried out by the Company.
		3. Determining the allocation key of the Company's other operating expenses by determining the share of income from the sale of exchange information in the Company's total income in 2020.
		4. Consideration of the level of fees charged by other European exchanges.
5. Consideration of a reasonable margin.		