

Discontinuation of determination of certain stock indices and changes of the Method of some of them

Consultation Document

Warsaw, 21 July 2025

The Administrator hereby discloses to the public a document informing about the decision to discontinue the determination of the WIG20short and WIG20lev indices, and about consultations regarding changes of the Methodology of determining of certain indices of the GPW Indices Family (hereinafter referred to as the "Method") and the related changes of the documentation of Stock Indices, which constitute a significant change in the Method of their determination.

Due to the scope of usage of the reference rates affected by the Method change of which Administrator is aware, following a request of the Administrator's Management Board, the consent to conduct public consultations within a short timeframe was given by Oversight Committee for Capital Market Benchmarks (KN WRK) was had been justified by the scope and scale of strategy indices usage:

- (1) Discontinuation of determination of the WIG20Short and WIG20lev indices, justified by low market interest in these indices, especially in light of the provision of alternatives in the form of WIG20TRsht and WIG20TRlev.

The planned date for discontinuing of the determination of these indices is 1 September 2025.

- (2) Changes of the Method of the WIG20TRsht and WIG20TRlev, as well as mWIG40TRsh and mWIG40TRLv indices, justified by the Administrator's own actions related to the implementation of the roadmap for the reform of interest rate benchmarks.

The planned effective date for change of the Method is 1 September 2025.

The consultations will last from 21 until 29 July 2025.

Ref. (1)

The WIG20short and WIG20lev indices are combinations of other indices, including the WIG20 index (price indices) and an interest rate index, which in this case is WIBOR ON (overnight). Although the Administrator had noted the use of these indices, interest has shifted towards strategy indices that combine the WIG20TR index, i.e., an index calculated in total return version. This movement aligns with the trend in usage of stock indices observed by the Administrator in that respect. At the same time, WIG20lev and WIG20short, as references to a money market factor in a method relate to the WIBOR ON, which – according to the roadmap of the National Working Group for the reform of reference rates – is planned to be discontinued in favor of RFR (Risk-Free Rates) type indices.

Considering the fact, the Administrator's portfolio includes strategy indices more consistent with new trends in usage of benchmarks in financial products and instruments, and the ability to resume index provision at clients' requests, the Administrator considers that the existence of strategy indices in its price version is not necessary for the effective functioning of the financial market.

The proposed date of those indices' discontinuation is 1 September 2025, considering findings regarding index usage and coordinating the work with the planned changes of the method as indicated in the reference (2).

If discontinuation of the WIG20lev and WIG20short indices determination by the planned date is not possible due to undisclosed use of these indices in products and financial instruments and so it requires longer adjustment period, the Administrator requests notification of this fact by the end of the consultation period on Method changes for the WIG20TRsht, WIG20TRlev, mWIG40TRsh and mWIG40TRLv indices.

Ref. (2)

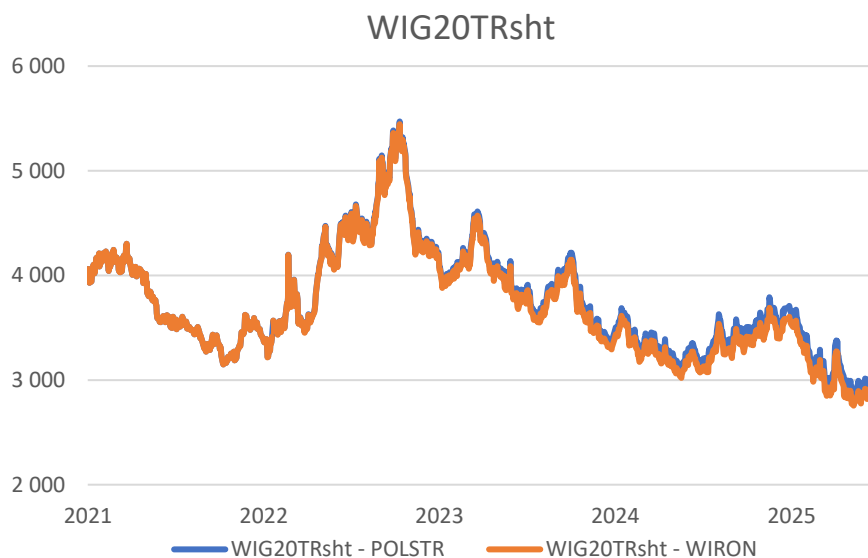
GPW Benchmark S.A. is the administrator of the GPW Indices Family as well as the Administrator of interest rate benchmarks. Taking into account the decision of the Steering Committee of the National Working Group (NGR), according to which POLSTR was selected as a replacement for the WIBOR reference rate, the Administrator has decided to take proactive steps related to the roadmap implementation supporting POLSTR implementation into the national financial system.

Taking it under consideration, GPW Benchmark seeks to conduct consultations regarding planned actions to replace the WIRON with POLSTR in the determination of strategy indices without undue delay. The Administrator's Management Board highlights that, from the Administrator's perspective, it is justified to undertake actions ensuring strategic consistency in GPW Benchmark's activities, i.e., conducting initiatives aligned with the financial market development strategy in the indices and benchmarks' segment.

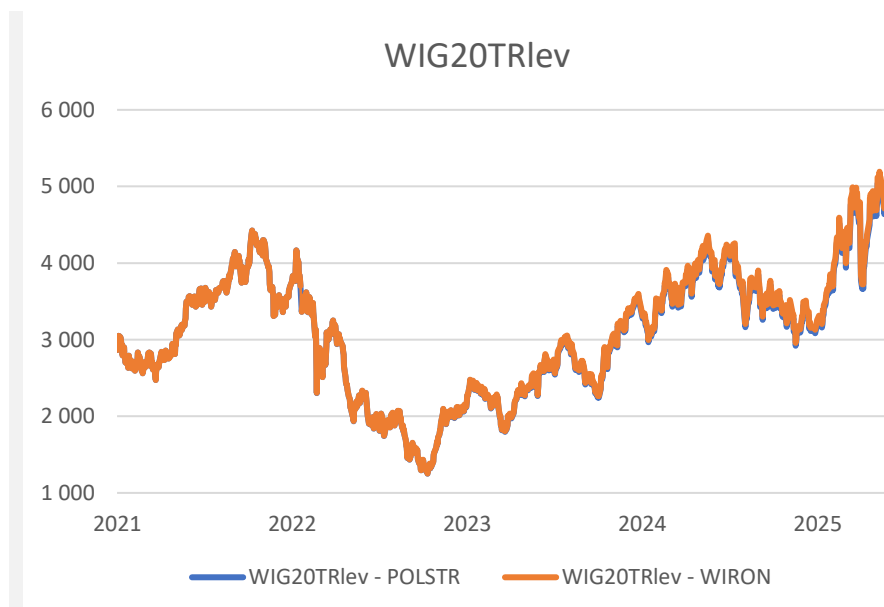
The Administrator performed index simulations based on POLSTR. The tests indicate that the proposed change qualifies as the material change of methodology,

requiring public consultations. The classification of the methodology change as referring to the criteria of a Key Element of the Method reflects the Administrator's cautious approach to changing economic reality that the index is intended to measure. that happens by changing WIRON to POLSTR.

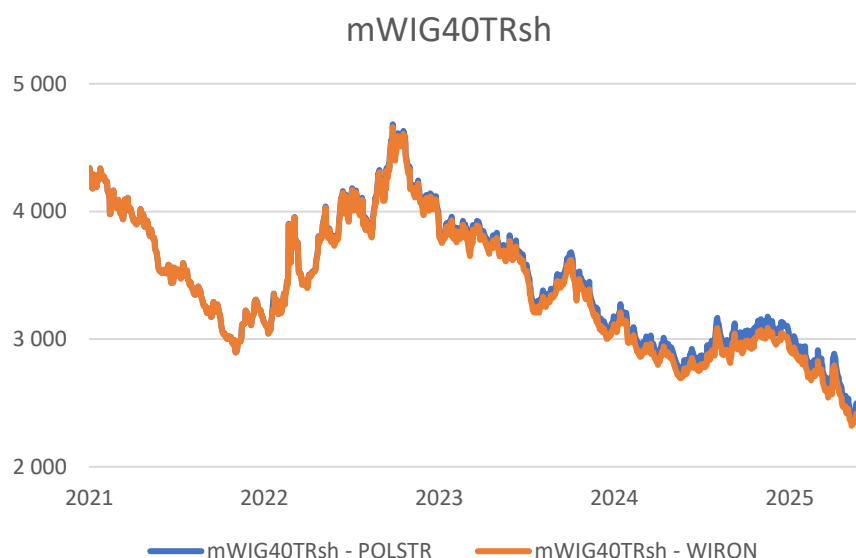
Some elements of the counterfactual analysis aimed at enabling effective reasoning for entities using strategy indices are presented in Table 1.



Change of the average daily change of simulated index value compared to the average daily change of WIG20TRsht	-13,17%
Change of the average daily simulated index value compared to the average value of WIG20TRsht	115,50



Change of the average daily change of simulated index value compared to the average daily change of WIG20TRlev	-1,59%
Change of the average daily simulated index value compared to the average value of WIG20TRlev	-69,34



Change of the average daily change of simulated index value compared to the average daily change of mWIG40TRsh	-6,30%
Change of the average daily simulated index value compared to the average value of mWIG40TRsh	111,58

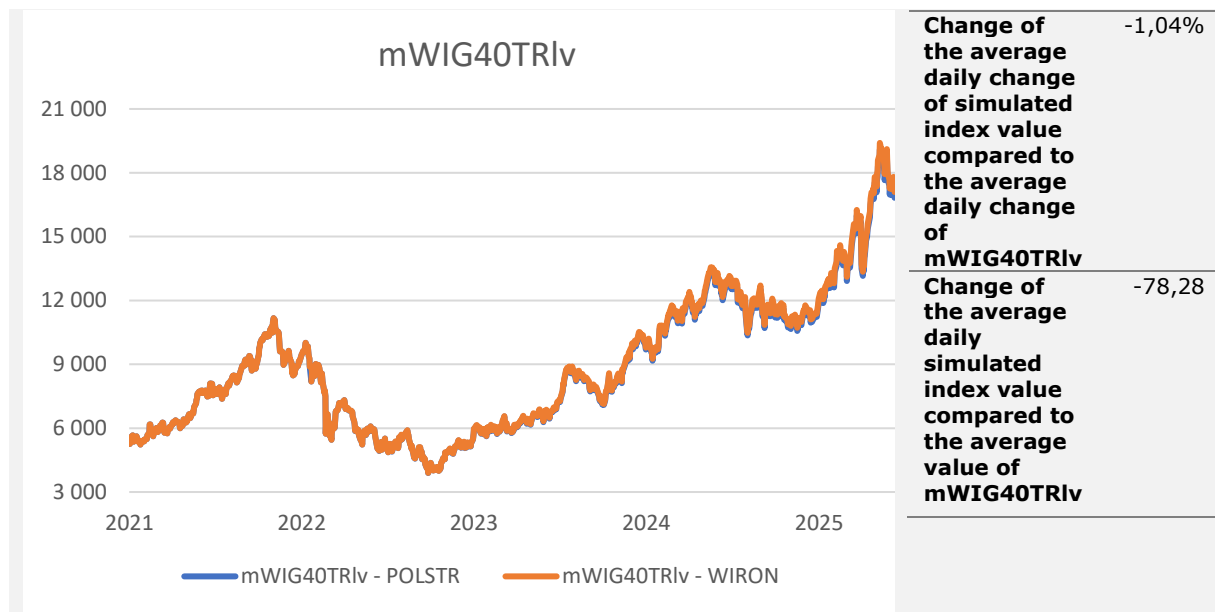


Table 1. Comparison of the simulation of strategy indices referring in the method of calculation to POLSTR with their historical time series based on WIRON.

Questionnaire

Question 1

☐ I do not raise any concerns regarding the discontinuation of determination of the WIG20lev and WIG20short indices.

I raise concerns regarding the discontinuation of determination of the WIG20lev and WIG20short indices:

- ☐ At any time
- ☐ At the time proposed by the Administrator

Explanation

Click or tap here to enter text.

Question 2

☐ I do not raise any concerns regarding the change of Method of the WIG20TRlev, WIG20TRsht, mWIG40TRlv and mWIG40TRsh indices.

I raise concerns regarding the change of Method of the WIG20TRlev, WIG20TRsht, mWIG40TRlv and mWIG40TRsh indices, regarding the replacement of the WIRON reference rate with POLSTR:

- ☐ At any time
- ☐ At the time proposed by the Administrator

Explanation

Click or tap here to enter text.