

Employee Capital Plans (PPK)

with NN Investment Partners TFI

Marketing Communication

January 2023



Employee Capital Plans (PPK)

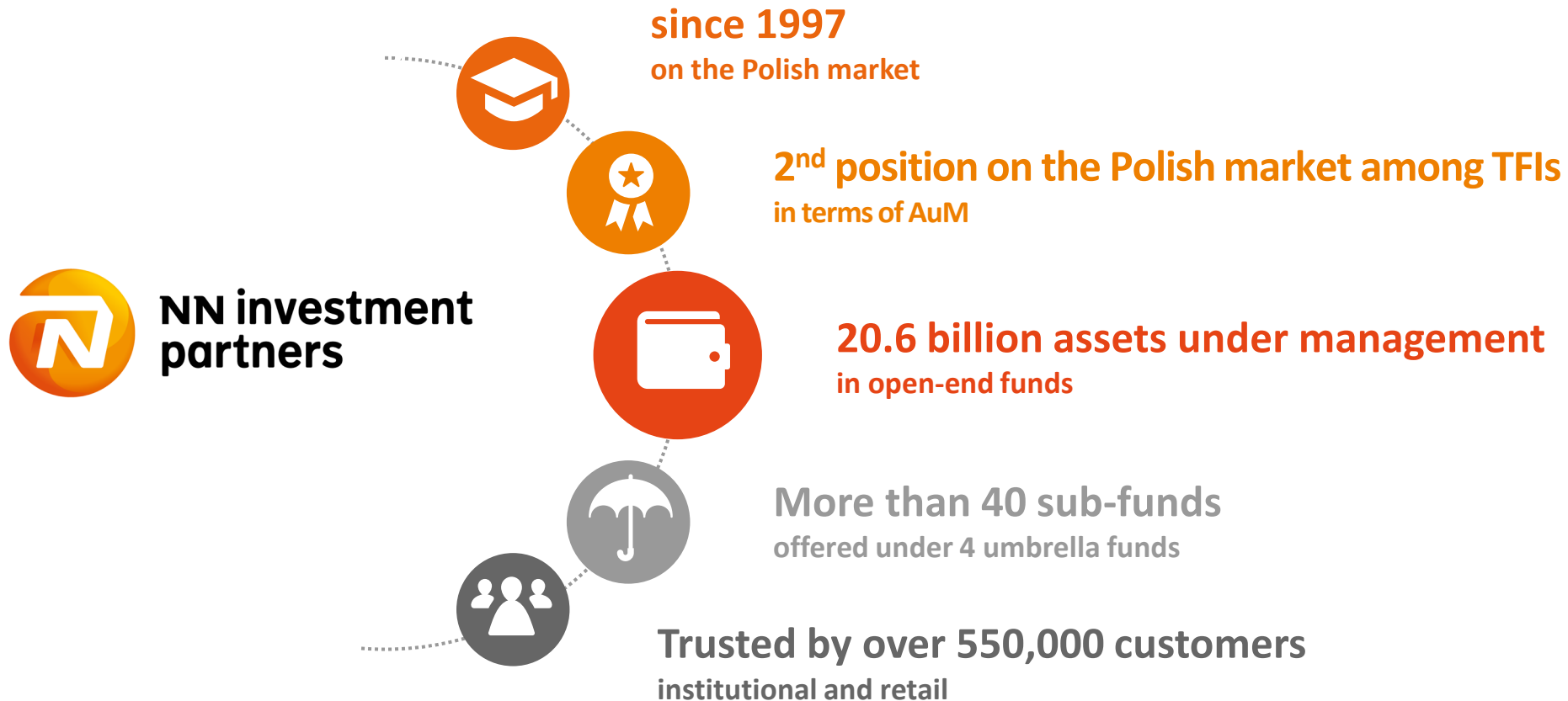
What will you learn from this presentation?

1. About us
2. What are the PPKs and why is it worth participating in them
3. How does the PPK work
4. What investment funds are available under the PPK
5. Where to check the balance of your PPK account

1.

About us

We have over 25 years of experience in managing our clients' assets



2.

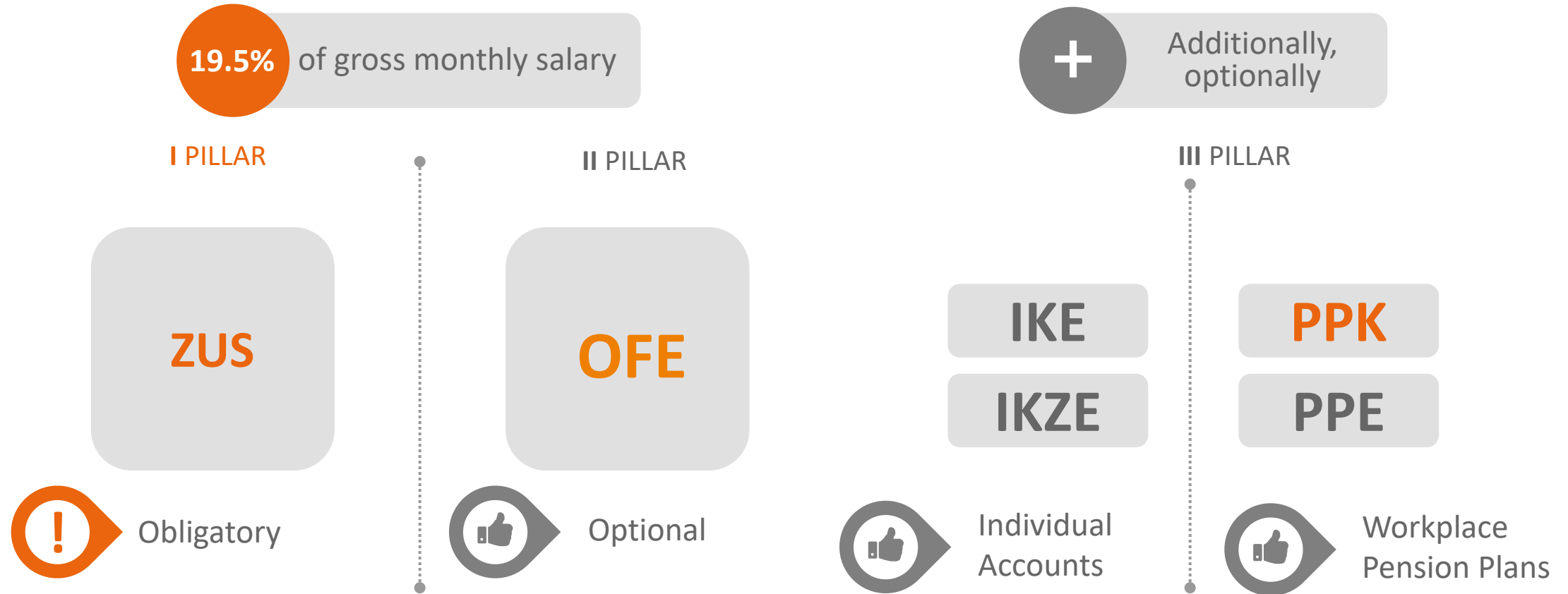
**What are the PPKs
and why is it worth
participating in them**



**NN investment
partners**

Do you know that thanks to the PPK your pension can be higher?

How does Polish pension system look like?



ZUS – Social Insurance Institution; OFE – open pension funds; IKE – Individual Pension Account; IKZE – Individual Pension Protection Account; PPE – Employee Pension Program; PPK – Employee Capital Plan

What is an Employee Capital Plan (PPK)?

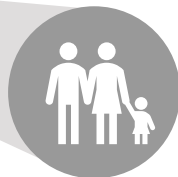
PPK



It's a voluntary long-term saving plan, which allows you to save additional money for your retirement.



PPK is co-financed by your Employer, the state and you.



Savings collected in the PPK belong to you and can be inherited by your family.

Why is it worth being a PPK Participant?



You gain additional savings for retirement co-financed by you, the Employer and the state.



You always have access to your money and you may decide to pay it out at any time.



Savings in the PPK belong to you and you can apply to pay them out without tax deduction after you reach the age of 60.



Your savings in the PPK can be inherited and the beneficiaries won't pay any taxes on the payout.

What is the auto-enrollment to the PPK?

First Auto enrolment to PPK in 2023

Auto enrolment, i.e. automatic re-enrolment in the PPK, covers employees aged 18-54 who have previously resigned from participation in the PPK.

If you resigned from the PPK before registering you for the Plan and now you want to participate in the PPK, you do not have to do anything. The employer will automatically enroll you in the PPK (conclude a contract for running the PPK on your behalf and on your behalf) and will start making payments to the PPK.

If you are already a PPK Participant, but you have resigned from making payments and would like to return to active participation in the ECP – you do not have to do anything. The employer will start calculating contributions to the PPK in March.

If you still do not want to participate in the PPK, you will have to resubmit to the employer a declaration of resignation from making contributions to the PPK. You can submit it no earlier than 1 March 2023.



3.

How does the PPK work

Who may participate in the PPK?

Employees
aged
18 to 54 years



- The employer will **automatically enroll** you in the PPK if you have not resigned from contributions to the PPK.

Employees
aged
55 to 69 years



- The employer will enroll you in the PPK at the **request** submitted to the employer (application to conclude an agreement to run the PPK).

Who contributes to your PPK?



Employer

Every month the Employer contributes the amount of **1.5%** of your gross salary to your PPK account.



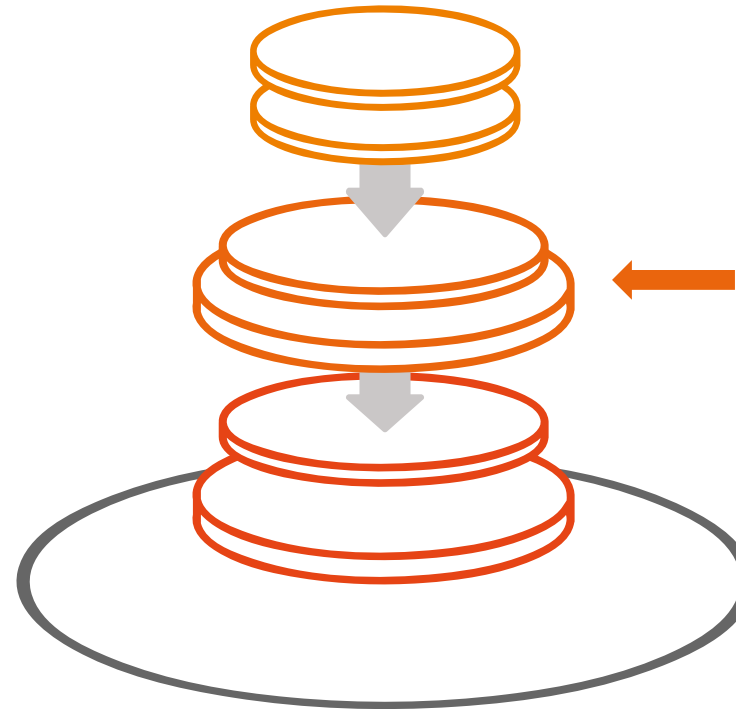
You

Your basic contribution to the PPK amounts to **2%** of your gross salary and it is deducted from your net salary.



State

The State finances the welcome premium of **PLN 250** and the annual premium of **PLN 240**.



Do you want to contribute more?

You may declare an additional contribution and save within the PPK up to **4%** of your salary.

The employer transfers payments to your PPK every month

You can calculate their amount based on gross remuneration. Examples:

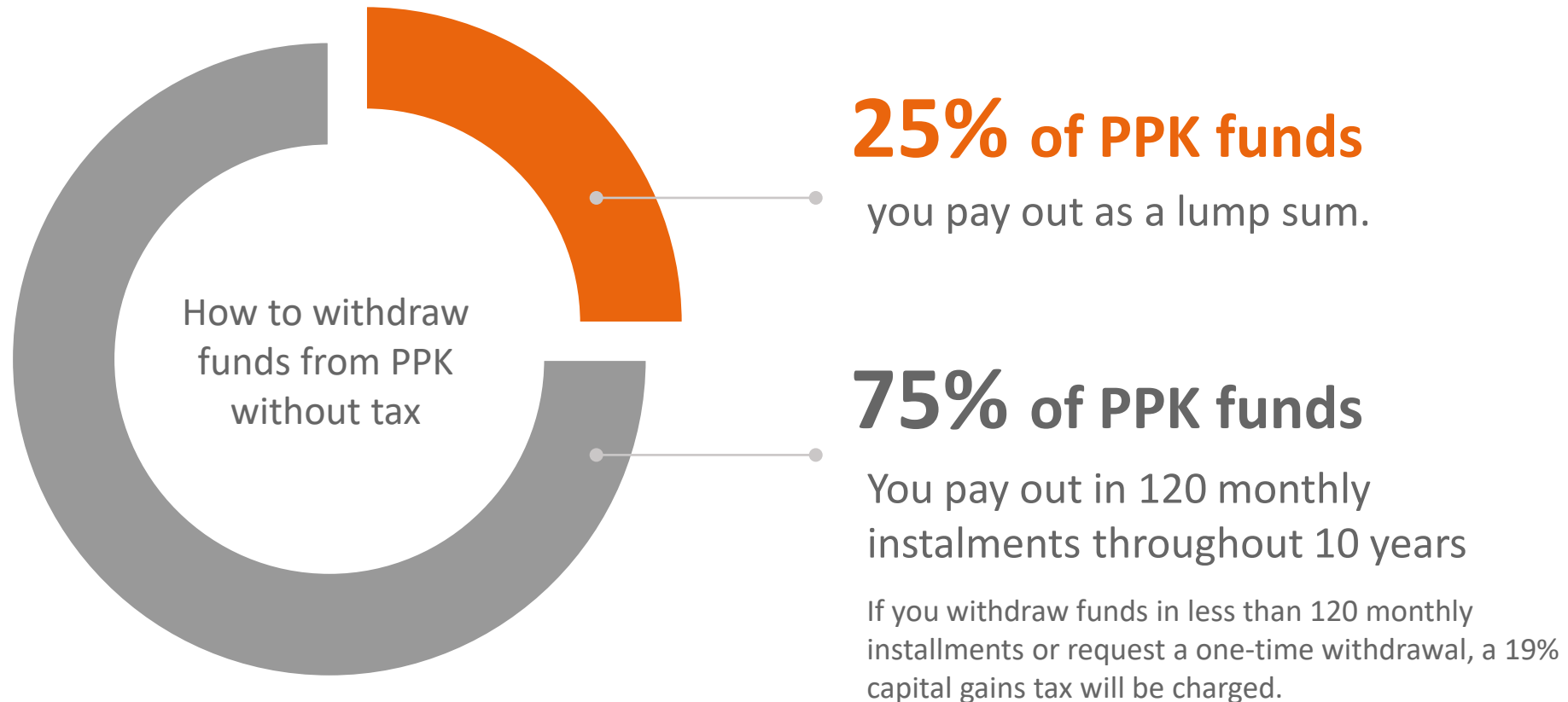
Value of payments to your PPK

Your gross monthly salary	Your net monthly salary	Employer-funded contribution (1.5%)	Your contribution (2%)	Income tax (12%) on the employer's contribution	Your net salary after deduction of contributions and tax from the employer's contribution
PLN 5000	PLN 3660	PLN 75	PLN 100	PLN 9	PLN 3551
PLN 6500	PLN 4672	PLN 98	PLN 130	PLN 12	PLN 4530
PLN 8000	PLN 5730	PLN 120	PLN 160	PLN 14	PLN 5556
Your gross monthly salary	Your net monthly salary	Employer-funded contribution (1.5%)	Your contribution (2%)	Income tax (32%) on the employer's contribution	Your net salary after deduction of contributions and tax from the employer's contribution
PLN 12 000	PLN 8130	PLN 180	PLN 240	PLN 58	PLN 7832
PLN 14 000	PLN 9407	PLN 210	PLN 280	PLN 67	PLN 9060

Payments to PPK, which are financed by the employer, are not the basis for calculating ZUS contributions. However, they are your additional income, which is why income tax is charged on them.

You can withdraw funds from the PPK after the age of 60

You will not pay capital gains tax on the payout



You can use the funds from the PPK before the age of 60

Own contribution to the loan



- If you are under 45, you can withdraw **all funds** from the PPK for own contribution for the purchase of an apartment or construction of a house.
- You will have 15 years to return the money to your PPK account. You must start paying them back before it's 5 years from the payout.

Serious illness



- When you, your spouse or a child become seriously ill, you can withdraw up to **25%** of your accumulated funds without having to pay back.
- You can find more information about serious illnesses in the PPK Act

Return



- You can return the funds at any time, i.e. withdraw money from the PPK before the age of 60.
- If you choose to make the return:
 - you will pay capital gains tax
 - you will lose state subsidies,
 - 30% of the collected funds from the part financed by the employer will be transferred to ZUS and credited to your ZUS account as a pension insurance contribution.

What will happen to your funds if you change Employer?

You join PPK at your new employer

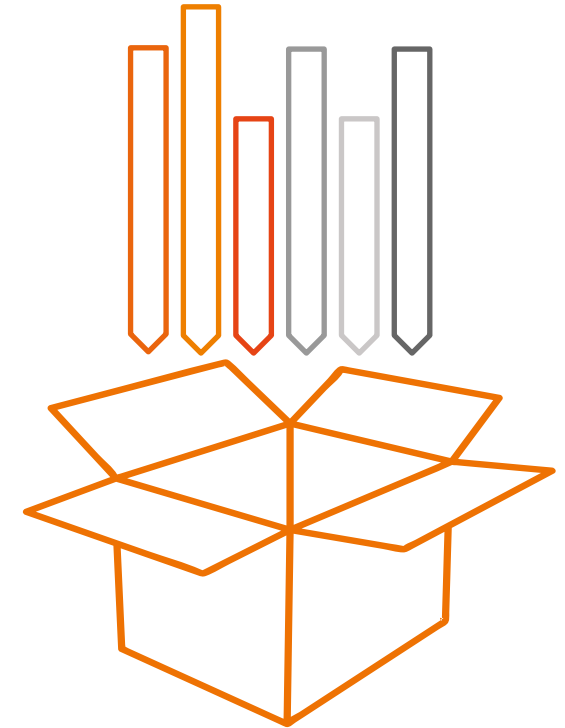
In the event of a change of Employer, after 3 months of employment (or after 14 days of employment) you will be enrolled in PPK with the new Employer.

Submit a statement on the PPK account

Submit a statement to the new employer about the contracts for running PPK concluded on your behalf. The employer is obliged to apply on your behalf for a transfer payment (transfer) of funds from previously created PPK accounts to a new one - "created" by this employer.

Why is it worth transferring funds in PPK to a new employer

You can object to the transfer of funds to the PPK with your new employer and collect funds under various PPKs. However, you may have difficulties in managing these funds later (e.g. ordering a withdrawal). Therefore, it seems that a more advantageous option for a PPK participant is to transfer funds so that the money accumulated in the PPK during his professional activity "follows" him.



The funds accumulated in the PPK are your property and are subject to inheritance

At the request of the beneficiary or heir, the financial institution will make the payment in the form of:

- in cash, or
- transfer payment to the account in PPK, IKE or PPE of the beneficiary.

Withdrawal without taxes and deductions

In the event of your death, the funds are paid out in full - the inheritance of funds from PPK is not subject to inheritance and gift tax or capital gains tax.



Community property

If you were married at the time of your death, your spouse will receive half of the funds accumulated on the PPK account of the deceased (to the extent that these funds were the subject of matrimonial property). It can be transferred to his/her PPK, IKE or PPE account or paid out in cash.



Indication of beneficiaries

You can indicate any persons authorized to withdraw funds from the PPK in the event of your death. The remaining funds (i.e. excluding those that will go to the spouse) will be paid to the entitled persons in cash or transferred to their PPK, IKE or PPE through a transfer payment - in accordance with their application.

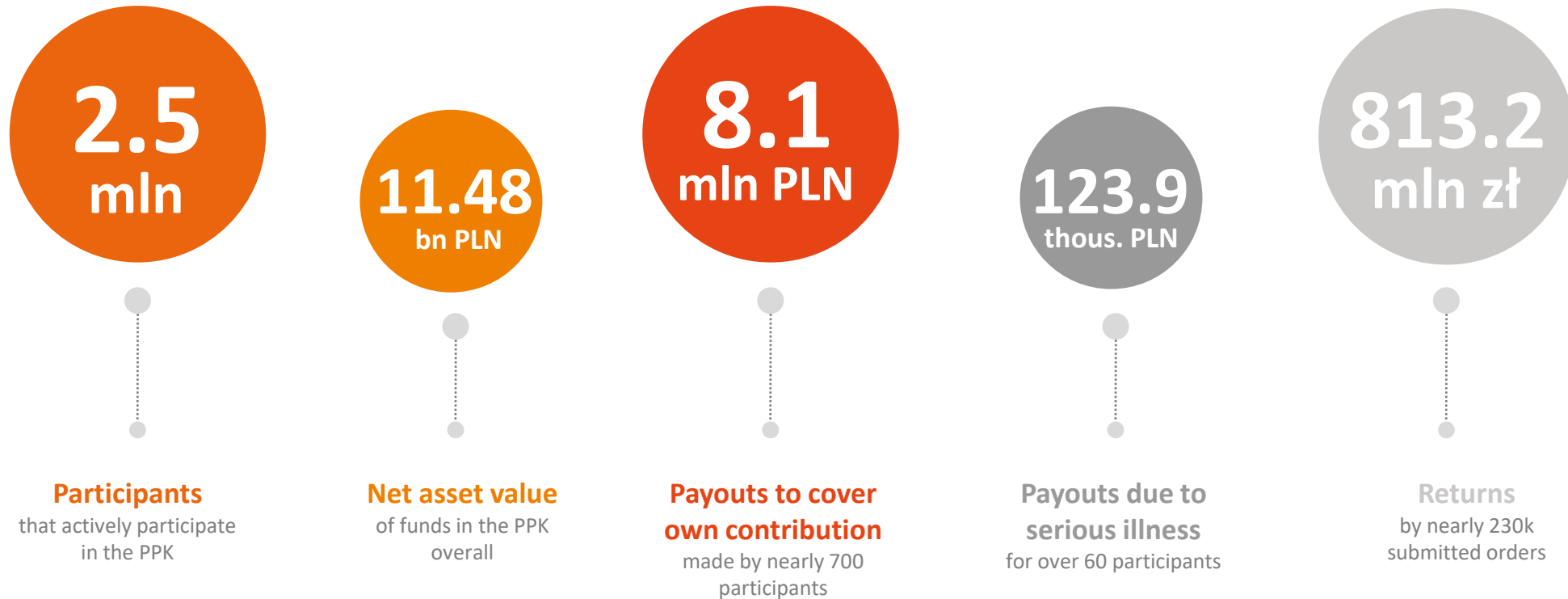


If you do not indicate the beneficiaries

If you do not indicate the entitled persons, the funds accumulated on your PPK account - to the extent that they are not entitled to your spouse - are subject to inheritance on general terms.

How do participants use PPK?

Summary of four years of PPK operation in Poland



Source: mojeppk.pl, as of 30.10.2022

4.

**What investment funds
are available in the PPK**

Investment funds available in the PPK

Get to know the target date funds NN Emerytura SFIO

NN Emerytura consists of **9 ready-made investment strategies** that change their investment portfolios in order to multiply your funds over time while increasing the security of your investment.

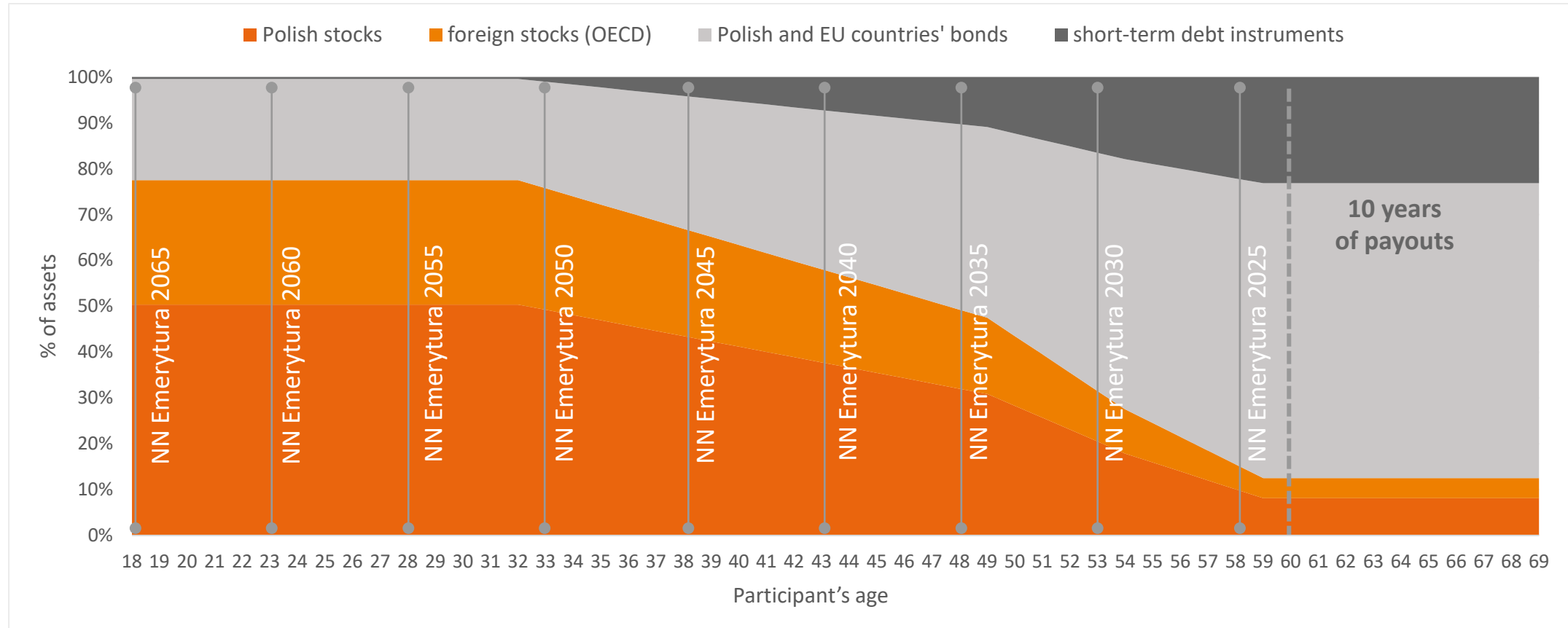
Depending on your year of birth, you will be assigned to the appropriate NN Emerytura sub-fund.

You can change the sub-fund in which your PPK contributions are invested. Sub-fund changes are free and unlimited.

Year of birth	Your NN Emerytura subfund
1963 – 1967	NN Emerytura 2025
1968 – 1972	NN Emerytura 2030
1973 – 1977	NN Emerytura 2035
1978 – 1982	NN Emerytura 2040
1983 – 1987	NN Emerytura 2045
1988 – 1992	NN Emerytura 2050
1993 – 1997	NN Emerytura 2055
1998 – 2002	NN Emerytura 2060
2003 – 2007	NN Emerytura 2065

How do we invest in NN Emerytura?

Every year the risk of your investment decreases



NN Emerytura SFIO – management fees

Fees decreasing in time

Annual management fee in the PPK									
Sub-fund	NN Emerytura 2025	NN Emerytura 2030	NN Emerytura 2035	NN Emerytura 2040	NN Emerytura 2045	NN Emerytura 2050	NN Emerytura 2055	NN Emerytura 2060	NN Emerytura 2065
Calendar years									
2019-29	0,30%	0,35%	0,35%	0,40%	0,45%	0,50%	0,50%	0,50%	0,50%
2030-34	<i>as above</i>	0,30%	0,35%	0,40%	0,45%	0,45%	0,50%	0,50%	0,50%
2035-39	<i>as above</i>	<i>as above</i>	0,30%	0,35%	0,40%	0,45%	0,45%	0,50%	0,50%
2040-44	<i>as above</i>	<i>as above</i>	<i>as above</i>	0,30%	0,35%	0,40%	0,45%	0,45%	0,50%
2045-49	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	0,30%	0,35%	0,40%	0,45%	0,45%
2050-54	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	0,30%	0,35%	0,40%	0,45%
2055-59	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	0,30%	0,35%	0,40%
2060-64	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	0,30%	0,35%
2065 -	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	<i>as above</i>	0,30%

The management fee covers the operating costs of the company and the fund. The management fee is quoted as a percentage charged on the invested funds on an annual basis. It is charged daily as 1/365th of the annual fee.

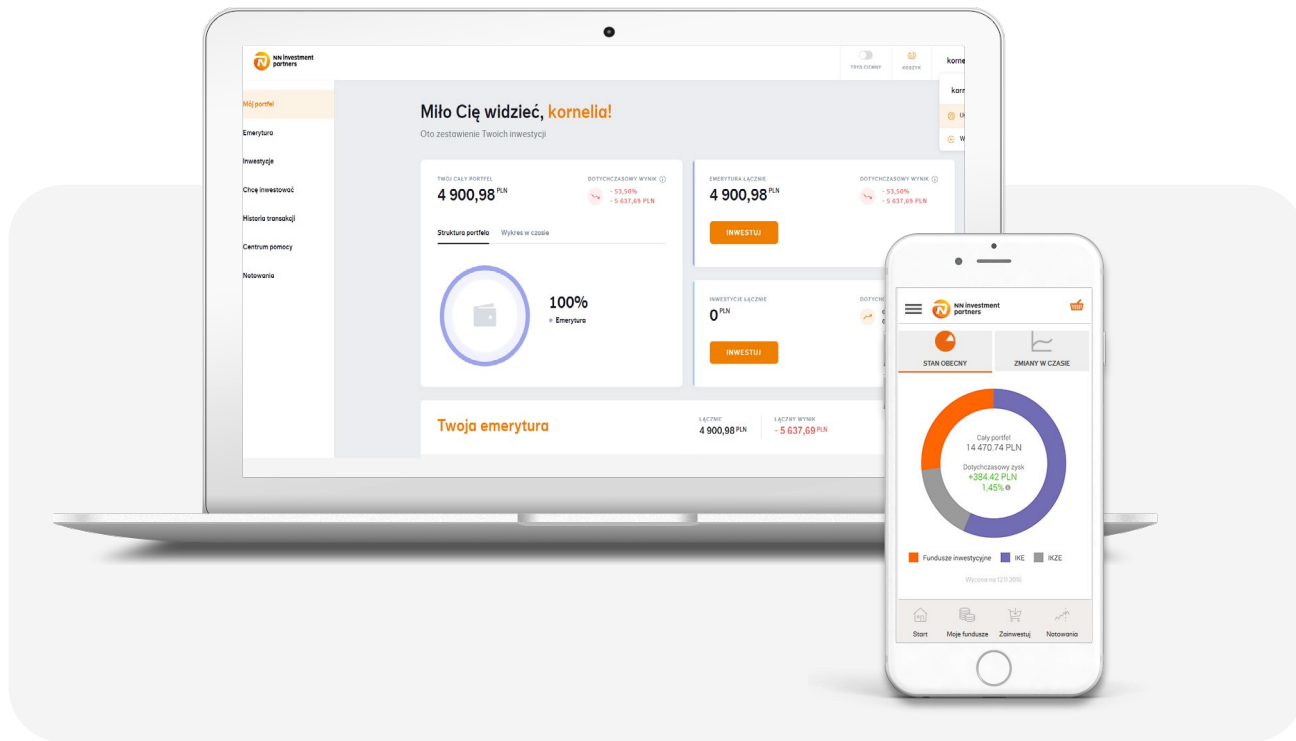
5.

Where to check

the balance of your PPK account

Managing the PPK account is simple and convenient

You can check your PPK account on the NN TFI24 transaction website and mobile app



NN TFI24 Transaction Service

- Information about PPK contributions
- You check the balance of your investment
- You can submit orders

NN TFI24 Mobile app

- You check the balance of your investment

How you get access to NN TFI24

The method of providing the participant number and password for the first login depends on the data that your employer has provided us with.

If the Employer provides us with your e-mail address and telephone number, you'll receive:

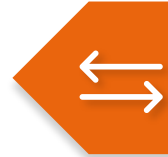
- your login (Participant number) to your e-mail address,
- first login password via SMS.

If we have not received your e-mail address and mobile phone number from your employer, you will get Login details in letters sent to your **correspondence address**.

You can submit orders via NN TFI24 directly to the Funds

PAY OUT

if you reach the age of 60



SWITCH – change in the allocation of funds accumulated so far

Change to the number of instalments



CHANGE to the distribution of contributions (with effect on future contributions)

RETURN

(before the age of 60)



Change to the bank account number

Change to the personal data



Indication/ change to Beneficiaries (required in paper form sent do the Funds as well)

Which orders related to the PPK have to be approved by your Company?

Resignation from making contributions
(signed document in paper required)



Declaration of resumption of making contributions
(signed document in paper required)



Declaration of your additional contribution



Resignation from your additional contribution



Change to the amount of your additional contribution

As you become a PPK Participant, you will receive a Welcome Pack

Welcome Pack

- You can download it after logging into your account at NN TFI24.
- The welcome package contains the most important information about PPK in NN Investment Partners TFI.

WITAMY W SYSTEMIE PPK (Pracowniczych Planów Kapitałowych), których jesteś uczestnikiem.

Twymi oszczędzonościami będzie zarządzała NN Investment Partners Towarzystwo Funduszy Inwestycyjnych S.A. Znajdziesz tu wszystkie najważniejsze informacje dotyczące Twojego PPK.

Informacje udostępnione zgodnie z art. 22 Ustawy o PPK.

JAK BĘDĄ INWESTOWANE TWOJE PIENIĄDZE?

W Twoim inwestycyjnym subfunduszu NN Emerytura SFI0?

Część Udziałowa

inwestycje m.in. w:

- akcje
- fundusze inwestycyjne
- jednostki uczestnictwa funduszy inwestycyjnych

DZIAŁANIA W PPK?

Możesz składać na kilka sposobów, w zależności od tego, który jest dla Ciebie najlepszy.

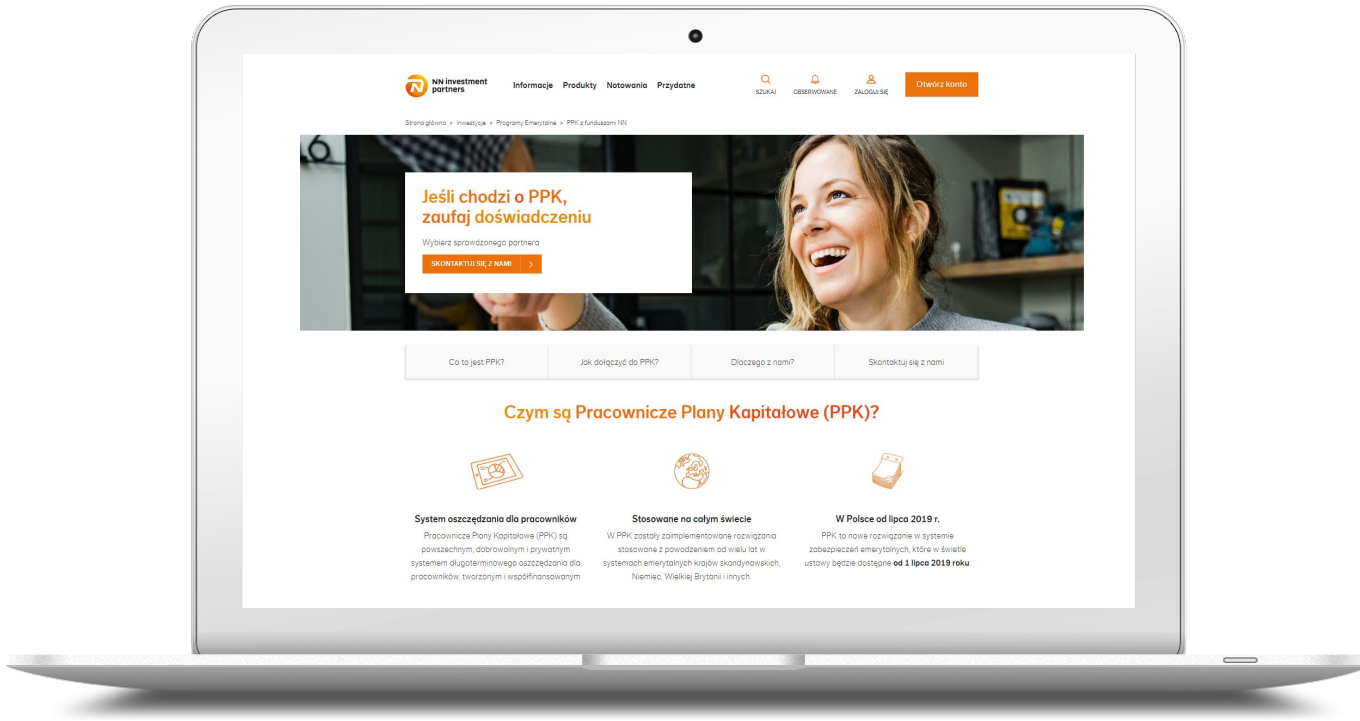
Kierując korespondencją na adres Agenta Transferowego

Osobiście za pośrednictwem pracodawcy

7

You can also broaden the knowledge about investing

Visit nntfi.pl and find useful information about your investment



 Fund Performance

 General information on funds

 Market commentary



Any questions?
We'll be happy to answer them



nntfi.pl



801 690 555; 22 541 75 11

The helpline is open 9am to 5pm; Monday to Friday.
The cost of the call is in line with your operator's rates.

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Participation units of the NN Emerytura SFIO subfunds may be purchased only as part of employee capital plans conducted on the basis of an employee capital plan management agreement concluded with NN Emerytura SFIO.

NN Emerytura SFIO subfunds may invest over 35% of their assets in securities issued, guaranteed or backed by the State Treasury

Due to the high volatility of prices of financial instruments in which the assets of individual NN Emerytura SFIO sub-funds are invested, the value of the net assets of these sub-funds, in particular in the initial period of their operation, may be characterized by high volatility.

The allocation of assets of individual NN Emerytura SFIO sub-funds between asset classes characterized by different levels of risk is variable over time and will be made in accordance with the principle of a gradual change of this allocation from instruments with the highest risk to a more conservative one related to instruments with a lower risk level as the period of operation of a given Sub-Fund approaching the Defined Date of the Sub-Fund, separately defined for each Sub-Fund.

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12 January 2023