



Internal Benchmark Replacement Plan

Drafted pursuant to Article 28(2) of Regulation (EU) 2016/1011

1. Reference legislation

On 1 January 2018, Regulation (EU) No. 2016/1011 (the "Benchmark Regulation") entered into force, on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

In particular, the Benchmark Regulation requires, *inter alia*, banks using a benchmark to draw up and maintain sound written plans detailing the actions they intend to take in the event of material changes to a benchmark or where the benchmark ceases to be provided. Where possible and appropriate, those plans shall designate one or more alternative benchmarks to which reference could be made, for the replacement of benchmarks whose supply would be suspended, indicating why those benchmarks would be viable alternatives.

This document represents the "Internal Benchmark Replacement Plan" (the "**Plan**") applicable to the current account contracts of BNP Paribas Succursale Italia, Corporate & Institutional Banking Division – Global Banking (the "**Bank**"), which refer to it and implements the provisions of the Benchmark Regulation and the Italian reference legislation in force at the time.

2. Benchmark monitoring

The Bank monitors the benchmarks used in its relations with customers to identify any material changes or cessations and, in the event that the subject responsible for monitoring the indices detects a material change or the cessation of the same, the procedure for implementing this Plan is initiated.

A "**material change**" in a benchmark is defined as a material change that impacts the methodology used to determine the index or one or more significant changes in the structure or calculation of the index (for example, if an index administrator decides to implement a new methodology that results in a material change in the underlying interest that the index intends to measure, this would be considered a material change).

Any quantitative variation due to the natural fluctuation of the reference parameter is not considered as a "material change".

On the other hand, the "**cessation of an index**" occurs when the benchmark is no longer detected or determined, permanently, by the index administrator. The moment of cessation of the index for the purposes of the measures adopted in the Plan coincides with the publication of an official statement by the administrator of the discontinued index or by the competent supervisory authority, in which the definitive cessation of the index is unequivocally declared. The definitive loss of representativeness of the index, publicly declared by the same subjects, is equated with the cessation of the index.

The temporary unavailability of the benchmark does not constitute "cessation of an index".

3. Identification of replacement indices

In the event of any cessation of an index, the Bank will apply a replacement benchmark, in order to ensure the continuity of the contracts and the provisions related to them.

The replacement benchmark will consist of:

- i. an alternative parameter or rate published, validated, approved or recognised by the benchmark administrator, the index's central reference bank, the monetary authority or any similar competent institution or authority (including relevant committees or other bodies established, sponsored or approved by any of the aforementioned entities); or, in the absence of such value,
- ii. substitute benchmark or reference rate that the Parties to relevant contracts may agree on from time to time; or, in the absence of such an agreement between the Parties formalised within 10 working days of the Bank notifying the event of cessation of an index,
- iii. replacement index that is recognized as a relevant and significant market parameter and is used to replace the discontinued index by at least 2 of the 10 largest credit institutions by capitalization with registered office in the EU.

The Bank shall adopt any necessary technical amendments and adjustments, with the possible application of a *spread*, to make the replacement benchmark comparable to the original benchmark agreed between the Parties.

In the event of a material change in a reference index, the Bank will apply the reference index as resulting from the changes made by the competent entity.

4. Customer Communications

In the event of a material change or cessation of the reference index, if provided for by the applicable legislation and in the manner and within the terms established by it, the Client shall be notified of the changes to the index applied or the replacement index identified.

5. Implementation and revision of the Plan

The function responsible for monitoring benchmarks, deciding on the implementation measures described in this Plan (monitoring of indices, publication of the Plan, replacement of the index and communications to Clients) and for the review of the Plan is the ALM & Treasury function.

6. Publication

The Plan is published and made available to Clients on the Bank's website: <https://cib.bnpparibas/sitemap/>, in "Disclosures" - "Italian plans under Benchmark Regulation" section.

The Plan is constantly updated. Changes will be communicated to Clients, if required by the relevant legislation, in the manner and within the terms established by it.