

PRODUCT DISCLOSURE DOCUMENT

PURPOSE

This document provides you with information about this product to help you understand the nature, risks, potential gains and losses of the product. The target clients for this product are determined accordingly to the relevant Product Governance procedure of each business line of the Group. This document is made available to you to satisfy regulatory information requirements about financial instruments pursuant to the European markets in financial instruments directive (MIFID II). General disclosures relating to BNP Paribas, its services, and financial instruments (including general risk warnings of the risks associated with financial instruments) it may offer to clients are also contained in the MIFID II client package that was made available to you. These general disclosures remain applicable to this product.

PRODUCT

Financially Settled Commodity Option	
Product name	Financially Settled Commodity Option
Product manufacturer	BNP Paribas SA ("BNPP" or "the Bank")

WHAT IS THIS PRODUCT?

► TYPE

An "over the counter" (OTC) derivative contract, in the form of an option, on ICE Brent futures.

► OBJECTIVES

The objective of this Product is to manage the risk of unfavourable fluctuations in price of ICE Brent futures, up to maturity. Via this Product you hedge yourself against adverse price movements higher in ICE Brent futures, by owning a cash settled Asian call option on ICE Brent, settling against a predefined Strike Rate. The exercise is automatic, based on whether the Settlement Rate is "in-the-money" with respect to the Strike Rate. A call option is "in-the-money" if the Settlement Rate is above the Strike Rate. In exchange for this call option, you are required to pay a premium, regardless of whether or not it pays out in the future.

► PRODUCT MAIN FEATURES

Calculation Agent	Manufacturer
Buyer of Option	Client
Underlying	Dec26 ICE Brent Futures Contract
Volume	100,000 bbls
Strike Rate	ATM (\$82.25/bbl)
Type of Option	Asian ICE Brent Call
Exercise	Automatic
Asian Period	1 st October 2026 to 30 th October 2026
Settlement Rate	Average of the Underlying throughout the Asian Period
Settlement Date	3 rd November 2026
Premium	800,000 USD
Cash Settlement Formula	If Settlement Rate is greater than the Strike Rate, - The client receives an amount in USD equal to: (Settlement Rate – Strike Rate) * Volume Else - There are no further obligations between the Client and bank

► INTENDED CLIENT

This Product is only for clients who:

- Need to buy ICE Brent at Settlement Date for the relevant Volume.
- Have the financial capacity to enter into this Product and to bear any potential loss related thereto.
- Need, up to maturity, a protection against a possible appreciation of ICE Brent, either (a) to cover their buy needs or (b) to manage their physical needs but wish to keep the opportunity to benefit from a depreciation of the ICE Brent.
- Have sufficient knowledge and experience to understand how this Product works and to assess the associated opportunities and risks.
- Understand the settlement profile of Asian options

WHAT ARE THE RISKS AND BENEFITS OF THE PRODUCT?

Risks	Benefits
For a Buyer of the Option, if the Option expires worthless, the premium paid upfront is a cost that cannot be recovered.	For a Buyer of the Option, the purchased Option offers protection against a possible appreciation in ICE Brent futures beyond the Strike.
The product is complex, and it involves ICE Brent futures, Interest Rates and Volatility to determine the price of the end product.	For a Buyer of the Option, it protects against the worst-case market scenario and therefore works as an insurance product with a premium paid up-front.
For Seller of Option there is unlimited downside.	The Seller of the Option can receive the premium up-front.

► SCENARIO ANALYSIS

CAUTION: The following scenario is provided solely for illustrative purposes. All figures in the table are hypothetical and are intended only to demonstrate how cash-flows are calculated at each expiration date. They do not represent a precise reference, nor any forecast of commodity price movements. The cash-flows derived from the rates in the table do not incorporate discounting. Therefore, should the scenario materialise, the total cash-flows would not be equivalent to the option's mark-to-market value.

Asian Mechanism Explained

- During each Commodity Business Day during the month of October, we observe the Dec26 ICE Brent futures price
- We calculate an equally-weighted arithmetic average from each daily fixing, called the Settlement Rate
- The arithmetic is the settlement price against which we compared to strike and determine the settlement amount of the option
- The settlement amount is equal to $\text{Volume} * \text{Max}(\text{Settlement Rate} - \text{Strike}, 0)$

Expiry Date	Dec26 ICE Brent Monthly Average	Option Exercised?	Volume	Net Payout (inclusive of premium spent)
30/10/2026	85	Yes	100,000	USD -525,000
30/10/2026	100	Yes	100,000	USD 975,000
30/10/2026	60	No	100,000	USD -800,000

Interpretation:

- Dec26 ICE Brent Monthly Average = 85

On 30/10/2026, the option expires in-the-money, and the option is automatically exercised, with the client buying 100,000 bbls from the Bank at the Strike Rate of 82.25, cash settled. Whilst the option expires in the money to the value of USD 275,000, this results in a net loss of USD 525,000 taking into account the premium of USD 800,000 that would have been paid at inception.

- Dec26 ICE Brent Monthly Average = 100

On 30/10/2026, the option expires in-the-money, and the option is automatically exercised, with the client buying 100,000 bbls from the Bank at the Strike Rate of 82.25, cash settled. The option expires in the money to the value of USD 1,775,000, resulting in a net gain of USD 975,000 taking into account the premium of USD 800,000 that would have been paid at inception.

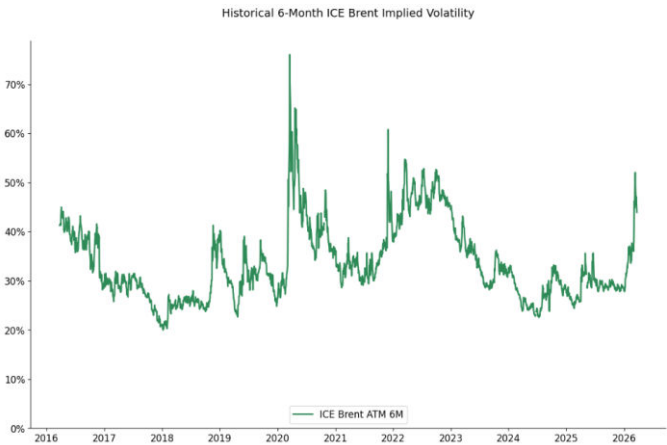
➤ Dec26 ICE Brent Monthly Average = 60

On 30/10/2026, the option expires out-of-the-money. The premium of USD 800,000 would have been paid by client at inception, resulting in a net loss of USD 800,000 to client.

► Market References: Historical Performance



March 2016 – March 2026 ICE Brent Front Month	
Maximum	127.98
Minimum	19.33
Average	68.81
Last Price	99.34



March 2016 – March 2026 -Month Historical Volatility	
Maximum	76.03%
Minimum	19.98%
Average	33.60%
Last Price	43.93%