

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 Collar
Product manufacturer	BNP Paribas SA ("BNPP" or "the Bank")

WHAT IS THIS PRODUCT?

► TYPE

A "over the counter" (OTC) derivative contract, in the form of a portfolio of options, on ICE Brent.

► OBJECTIVES

The objective of this Product is to manage the risk of unfavourable fluctuations in price of the ICE Brent, up to maturity. Using this Product, you can hedge yourself against adverse price movements higher in ICE Brent futures, by owning a cash settled Asian call option and selling a cash settled Asian put option on ICE Brent, settling against a predefined Strike Rates. 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. A put option is "in-the-money" if the Settlement Rate is below the Strike Rate. In exchange for the call option, you are required to pay a premium, regardless of whether or not it pays out in the future. Likewise, by selling the put option, you are paid a premium, regardless of whether or not it pays out in the future. In a collar, the strikes of the call and put options are adjusted such that the net cost (premium) of the collar is zero.

► PRODUCT MAIN FEATURES

Calculation Agent	Manufacturer
Buyer of Collar	Client
Direction	Consumer
Underlying	Mar27 ICE Brent Futures Contract
Volume	100,000 bbls
Call Strike Rate	\$105/bbl
Put Strike Rate	\$70/bbl
Type of Options	Asian ICE Brent Call and Asian ICE Brent Put
Exercise	Automatic
Asian Period	1 st January 2027 to 31 st January 2027
Settlement Rate	Average of the Underlying throughout the Asian Period
Settlement Date	5 th February 2027
Premium	This is a zero-premium instrument
Cash Settlement Formula	If Settlement Rate is greater than the Call Strike Rate,

	- The client receives an amount in USD equal to: $(\text{Settlement Rate} - \text{Call Strike Rate}) * \text{Volume}$ If Settlement Rate is lower than the Put Strike Rate, - The client pays an amount in USD equal to: $(\text{Put Strike Rate} - \text{Settlement Rate}) * \text{Volume}$ Else - There are no obligations between the Client and bank
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► INTENDED CLIENT

This Product is only for clients who:

- Need to buy ICE Brent at Expiry 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
There is unlimited downside for both buyer and seller of the Collar.	The collar offers protection against a possible appreciation and depreciation in ICE Brent 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.	In a zero-cost collar structure, there is no net premium exchanged,

► 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 January, we observe the Mar27 ICE Brent futures price
- We calculate an equally-weighted arithmetic average from each daily fixing
- 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 $\text{Volume} * \text{Max}(\text{Monthly Average} - \text{Strike}, 0)$

Expiry Date	ICE Brent Front Month Monthly Average	Call Option Exercised?	Put Option Exercised?	Volume	Net Payout (inclusive of premium spent)
05/02/2027	85	No	No	100,000	USD 0
05/02/2027	115	Yes	No	100,000	USD 1,000,000
05/02/2027	50	No	Yes	100,000	USD -2,000,000

Interpretation:

- Mar27 ICE Brent Monthly Average = 85

On 05/02/2027, both options expire out-the-money. This results in the client receiving USD 0 as the collar is a zero-premium instrument.

➤ Mar27 ICE Brent Monthly Average = 115

On 05/02/2027, the call option expires in-the-money, and option is automatically exercised, with the client receiving 100,000 bbls from the Bank at the Strike Rate of 105, cash settled. Whereas the put option expires out-the-money. This result in the client receiving a net payout of USD 1,000,000.

➤ Mar27 ICE Brent Monthly Average = 50

On 05/02/2027, the put option expires in-the-money, and option is automatically exercised, with the client paying 100,000 bbls to the Bank at the Strike Rate of 70, cash settled. Whereas the call option expires out-the-money. This results in the client paying a net payout of USD 2,000,000.

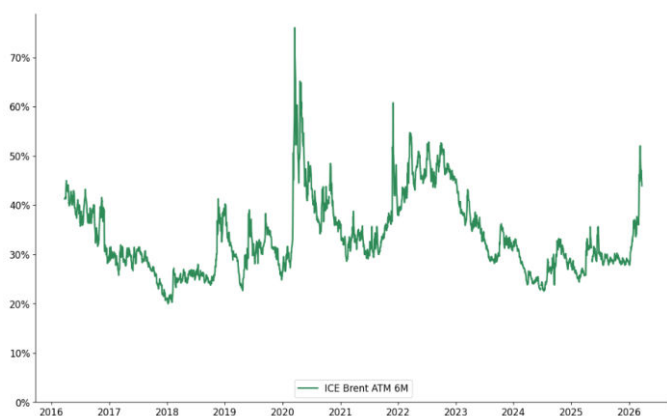
► Market References: Historical Performance

Historical ICE Brent Spot



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

Historical 6-Month ICE Brent Implied Volatility



March 2016 – March 2026 6-Month Historical Volatility	
Maximum	76.03%
Minimum	19.98%
Average	33.60%
Last Price	43.93%