

BEST EXECUTION POLICY

I. General scope of the Policy

1. When executing clients' orders to buy or sell financial instruments, referred to in the Act on Trading in Financial Instruments of 29 July 2005 (consolidated text: Journal of Laws of 2014, item 94, as amended), IPOPEMA Securities S.A. (hereinafter referred to as "the **Brokerage House**") shall take steps to obtain the best possible execution results for the Client and when accepting and transmitting the abovementioned orders it shall undertake all reasonable actions in order to obtain the best possible results for the Client. The Brokerage House shall apply tools and procedures facilitating best execution of an order, taking into account the client's instructions contained in the order.
2. The best execution policy aimed at executing orders and acting in the best interest of the Client by IPOPEMA Securities S.A. (hereinafter referred to as the "**Policy**") applies to orders placed by both retail and professional clients. The Policy shall not apply to clients who in their relations with the Brokerage House act as eligible counterparties, unless they request to be treated by the Brokerage House as professional or retail clients.

II. Factors Affecting Order Execution

1. In order to secure best results when executing or transmitting an order, the Brokerage House shall consider the following factors:
 - a. price of the financial instrument,
 - b. costs related to the order execution,
 - c. time of transaction execution,
 - d. probability of transaction execution and clearing,
 - e. size and type of the order, as well as other considerations important for execution of the order.

When making the abovementioned arrangements, the Brokerage House shall take into account the need to transfer financial instruments between clearing houses if financial instruments are listed in execution venues for which settlements are performed by different clearing houses or in different currencies, as well as time and associated costs.

2. In the case of orders placed by retail clients, the Brokerage House shall determine the best result in a general perspective, taking into account the price of the financial instrument and the costs related to the order execution. The costs shall include all expenses incurred by the client directly in connection with the execution of the order, including fees for the clearing and settlement of the transaction as well as other fees related to the order execution.
3. In the case of orders placed by professional clients, the Brokerage House shall assess the relative weight of all above listed factors, taking into consideration the following criteria:
 - a. client's profile, including classification of the client as a professional client,
 - b. characteristics of the order,
 - c. features of the financial instrument for which the order is placed,
 - d. characteristics of the execution venues to which the order may be sent.
4. The factors and criteria referred to in clauses 1-3 shall be analysed once, directly before the execution of the client's order, based on the current market information available to the Brokerage House at the time of performing the analysis or on historical information – depending on the nature of the factor and circumstances of order placement and the nature of the order and its results shall not be reviewed or modified during the order execution. In particular, no re-analysis shall be performed if the client subsequently modifies its order, unless the order execution has not started yet.

III. General Terms of Order Execution

1. The Brokerage House shall execute clients' orders promptly, in a fair and professional manner, and without giving priority to other orders placed by clients and transactions executed by the Brokerage House for its own account.

2. The Brokerage House shall execute clients' orders promptly upon acceptance, in the order of their acceptance, unless:
 - a. the terms and conditions of order execution defined by the client provide otherwise,
 - b. the nature of the order or market conditions preclude execution of the order in such a manner,
 - c. a different conduct is required to serve the client's interest.
3. The Brokerage House may aggregate a client's order with its own orders and orders placed by other clients, provided that this is not detrimental to any of the clients.
4. The Brokerage House executing the client's order jointly with its own order may not allocate the executed order to the disadvantage of the client.
5. In the event of a partial execution of the aggregated order referred to in clause 3 the Brokerage House shall allocate the order so that the client's order is fully executed. If the aggregated order referred to in clause 3 was executed in the part preventing the execution of the client's order in whole, the Brokerage House shall allocated solely for the client.
6. The provisions of clause 5 shall not apply if:
 - a. the execution of the client's order in the manner referred to in clause 3 allows to achieve for the client a better result than if the order was executed without being aggregated with own order of the Brokerage House or
 - b. it is not possible to execute the client's order without aggregating it with own order of the Brokerage House.
7. In the case referred to in clause 6, the Brokerage House may allocate the executed orders in accordance with the principles referred to in Section II – Factors Affecting Order Execution.
8. Execution of orders to buy or sell financial instruments may also consist in concluding by the Brokerage House for own account agreements on a sale of financial instruments with the principal.

IV. Execution Venue

1. The Brokerage House shall execute clients' orders concerning broker-traded financial instruments directly on:
 - a. the stock-exchange regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. [Warsaw Stock Exchange S.A.] (hereinafter: "**WSE**"),
 - b. the multilateral trading facility operated by the WSE and BondSpot S.A.,
 - c. the stock-exchange regulated market operated by the Budapest Stock Exchange,
 - d. the stock-exchange regulated market operated by the Prague Stock Exchange,
 - e. the stock-exchange regulated market operated by the Bucharest Stock Exchange
2. The Brokerage House shall not perform direct execution of orders concerning broker-traded financial instruments traded on other foreign regulated markets. In such cases, the Brokerage House shall accept and transmit the orders for execution by an investment firm having access to a relevant market, with which the Brokerage House has entered into an agreement on intermediation in the purchase and sale of financial instruments for the benefit of clients. The list of foreign regulated markets on which the Brokerage House provides services and the types of foreign securities that can be bought or sold with the use of intermediary services offered by the Brokerage House shall be made available to the client upon his/her request.
3. The Brokerage House shall select an investment firm from among investment firms referred to in clause 2 to which it shall transmit client's orders, applying accordingly the provisions of clauses 1-3 of Section II, with the proviso that the best price criterion shall apply only to orders without price notation. The criterion of the lowest costs shall be taken into account by the Brokerage House, however the total amount of costs incurred by the client shall differ depending on the investment firm selected.
4. If a financial instrument is traded in more than one market and the execution venue has not been specified by the client, the Brokerage House shall decide upon the order execution venue on its own, taking into account the factors specified in Section II.
5. The Brokerage House shall execute clients' orders outside the regulated market or the multilateral trading facility, upon the consent of the client if the order is executed on the terms no worse than in other execution venues, save that this requirement shall not apply if the client requested the execution of the order outside the regulated market or the multilateral trading facility. The Brokerage House may refuse to execute the order in the above manner.

6. With regard to financial instruments of a given issuer for which the Brokerage House acts as an intermediary in offering them, the Brokerage House shall transmit clients' orders to such issuers of financial instruments or entities designated to execute orders in connection with the offering.
7. The Brokerage House shall transmit clients' orders concerning units in investment funds and other units in collective investment undertakings to investment fund management companies with which it entered into distribution agreements.

V. Disclaimers

1. The obligation to comply with the Policy shall not apply if the client specified detailed terms on which the order is to be executed or transmitted, to the extent specified by such detailed terms.
2. The best execution obligation shall not be treated as the obligation of the Brokerage House to take into account all possible execution venues.
3. The Brokerage House may not be able to undertake activities aimed at achieving the best possible results for the client if only one execution venue for the client's order is available.
4. This Policy does not guarantee that in each case the client's order will be executed or transmitted with the best result for the client which takes into account all reasons of the the client for placing the order.

VI. Final Provisions

1. By concluding an agreement on order execution or order acceptance and transmission with the Brokerage House the client represents that he/she has read and accepts the Policy.
2. The Brokerage House shall provide upon client's request detailed information on activities undertaken in order to achieve the best possible result for the client in connection with the order execution.
3. The Brokerage House shall review the effectiveness of the solutions employed as part of the Best Execution Policy on an ongoing basis, and shall amend the provisions of this Policy as necessary.
4. The Brokerage House shall provide the client with the Policy using a durable medium or by publishing it on the www.ipopemasecurities.pl website.
5. The Brokerage House shall notify the client of any material amendments to the Policy at such time as to enable the client to terminate the agreement in compliance with the notice period requirement, with the agreement ceasing to be effective prior to the date on which the amendments come into force.
