

Disclosure Policy of IPOPEMA Securities S.A. with respect to capital adequacy disclosures

Warsaw, 2015

General

This Disclosure Policy of IPOPEMA Securities S.A. with respect to disclosure of information related to capital adequacy, hereinafter referred to as the Disclosure Policy, specifies:

- a) the scope of information to be disclosed,
- b) the frequency of information disclosure,
- c) the form of information disclosure and the place where it is to be disclosed,
- d) rules governing approval and review of information to be disclosed,
- e) rules governing review of the Disclosure Policy,

in the light of:

- Regulation of the Minister of Finance of November 26th 2009 on disclosure of information related to capital adequacy (the "Regulation"),
- Regulation of the Minister of Finance of December 2nd 2011 on the rules for establishment of a variable remuneration component policy for persons holding management positions at brokerage houses,
- Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26th 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the "CRR" (Capital Requirements Regulation)),
- Commission implementing regulation (EU) No. 1423/2013 of December 20th 2013 laying down implementing technical standards with regard to disclosure of own funds requirements for institutions according to CRR.

Definitions and acronyms

The terms and acronyms used in this Policy shall have the following meanings:

Brokerage House, Company	shall mean IPOPEMA Securities S.A.;
Disclosure Policy	shall mean this Disclosure Policy of IPOPEMA Securities S.A. with respect to disclosure of information related to capital adequacy;
Disclosure Regulation	shall mean the Regulation of the Minister of Finance of November 26th 2009 on disclosure of information related to capital adequacy (Dz.U. of 2009, No. 210, item 1615);
Capital Requirements Regulation, CRR	shall mean Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26th 2013 on prudential requirements for credit institutions and investment firms;
Commission Implementing Regulation	shall mean Commission implementing regulation (EU) No. 1423/2013 of December 20th 2013 laying down implementing technical standards with regard to disclosure of own funds requirements for institutions according to CRR;
Variable Remuneration Component Regulation	shall mean the Regulation of the Minister of Finance of December 2nd 2011 on the rules for establishment of a variable remuneration component policy for persons holding management positions at brokerage houses.

Scope of disclosed information

1. IPOPEMA Securities S.A. discloses information on its capital adequacy on a consolidated basis, in compliance with:
 - a) Par. 4.2 of the Disclosure Regulation and Appendix 1 to the Disclosure Regulation;
 - b) Title II in Part Eight of the CRR, subject to the provisions laid down in Article 432.
2. The Company discloses information concerning its variable remuneration component policy for persons holding management positions and concerning such persons' remuneration pursuant to:
 - a) Par. 14 of Appendix 1 to the Disclosure Regulation
 - b) Article 450 of the CRR.
3. The Brokerage House may omit one or more of the disclosures listed in Title II of Part Eight of the CRR if the information provided by such disclosures is not regarded as material, except for the disclosures laid down in Article 435(2)(c), Article 437 and Article 450.
4. The Brokerage House may also omit one or more items of information included in the disclosures listed in Title II of Part Eight of the CRR if those items include information which is regarded as proprietary or confidential, except for the disclosures laid down in Articles 437 and 450.
5. The Brokerage House does not use advanced risk measurement approaches or methods of calculating risk exposure under Pillar 1, it does not use any credit risk mitigation techniques and has no exposures arising from asset securitisations.

Frequency of information disclosure

1. Information on capital adequacy is disclosed at least on an annual basis. The date of annual publication of capital adequacy information is the same as the date of issue of the financial statements, which is determined in accordance with the Polish Accountancy Act.
2. The Brokerage House may disclose selected items of information on capital adequacy more frequently than on an annual basis if such information is material given the scale of the Brokerage House's operations, range of activities conducted outside of Poland, involvement in different financial sectors, or its participation in international financial markets as well as payment, settlement and clearing systems.

Place of information disclosure

1. The Brokerage House discloses its capital adequacy information on its website. It is disclosed in the Polish language.
2. In the event that not all information subject to disclosure is published on its website, the Brokerage House posts a note specifying a different place where the missing information is being disclosed.

Rules governing approval and review of information to be disclosed

1. Information subject to disclosure which has not been audited by the Brokerage House's independent auditor is reviewed by its internal unit as part of the internal control mechanisms in place at the Brokerage House. The Management Board of the Brokerage House may decide that such information should be reviewed by a third party.
2. Prior to its public disclosure, information must be authorised by relevant members of the Management Board of IPOPEMA Securities S.A.

Rules governing review of the Disclosure Policy

1. This Disclosure Policy is subject to an annual review for consistency with the applicable laws and with the current profile and scale of the Brokerage House's business. Notwithstanding the foregoing, this Disclosure Policy is revised whenever there is a major change in the processes it regulates.
2. Such revision is performed by an internal control unit as part of the internal control mechanisms in place at the Brokerage House.
