MiFID INFORMATION BROCHURE
IPOPEMA SECURITIES S.A.

I. General information on MiFID

MiFID is a set of regulations on financial instrument markets. It establishes a uniform legal framework for the provision of services by investment firms and credit institutions within the European Union.

On January 3, 2018, new implementing regulations, the so-called MiFID II package, including Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to the organizational requirements and conditions of business of investment firms and the concepts defined for that purpose directive.

The main goal of MiFID is to guarantee a sufficient level of investment protection, fair competition in the financial sector, unification of trading, settlement and reporting rules at the EU level and ensuring transparency of the functioning of banks and investment companies on financial instrument markets in the EU. MiFID requirements cover individual financial instruments, such as: shares, bonds, money market instruments, derivatives, as well as participation units in investment funds. The requirements also apply to investment services, including portfolio management services that include one or more securities on commission, as well as investment advisory and securities custody services.

II. Information regarding IPOPEMA Securities S.A. and the services provided

The following information regarding IPOPEMA Securities S.A. and the services provided is provided to the Client pursuant to Art. 47 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to the organizational requirements and conditions of business of investment firms and the concepts defined for the purposes of that Directive („**Regulation”**):

1. Name and address of the investment company and data enabling direct contact between the client and the investment company

IPOPEMA Securities S.A.
Próżna 9, 00-107 Warsaw
tel. +48 (22) 236-92-00
fax. +48 (22) 236-92-82
e-mail: ipopema@ipopema.pl
www.ipopemasecurities.pl

IPOPEMA Securities S.A. is entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw. Warsaw in Warsaw, 12th Commercial Division of the National Court Register under KRS number 0000230737.

2. The languages in which the client can contact the investment firm and receive documents and other information from the investment firm

The official language of communication between IPOPEMA Securities S.A. and its clients is Polish. All documents and information provided will be prepared in this language. At the express request of the Client or potential Client, it is possible to prepare documents and information in English.

3. The means by which the Client communicates with the investment firm and, where appropriate, transmits orders to the investment firm

The Client may contact IPOPEMA Securities S.A.:

- by post – to the address indicated in point 1 above, or
- by phone – by phone: +48 (22) 236-92-00, or
- by fax – by fax number: +48 (22) 236-92-82, or
- via e-mail: ipopema@ipopema.pl.

In the case of services referred to in Art. 69 section 2 point 1 or 2 of the Act of July 29, 2005 on Trading in Financial Instruments (the"**Trading Act"**), orders may be submitted to IPOPEMA Securities S.A. in writing and by telephone, fax, electronic order submission system, e-mail or other technical means, depending on the arrangements in the agreement with the Client or the Regulations for the provision of brokerage services constituting part of this agreement.

4. BROKERAGE PERMIT

IPOPEMA Securities S.A. (also referred to as the"**Investment Company**") conducts brokerage activities pursuant to (i) the authorization of the Securities and Exchange Commission (currently: the Polish Financial Supervision Authority) of June 30, 2005, (ii) the authorization of the Polish Financial Supervision Authority of June 28 June 2010 and (iii) the authorization of the Polish Financial Supervision Authority of April 8, 2014, in the following scope:

1. accepting and transmitting orders to purchase or sell financial instruments,
2. execution of orders referred to in section 1 above, to the account of the principal,
3. purchasing or selling financial instruments on one's own account,
4. investment advice,
5. offering financial instruments,
6. providing services in the performance of concluded issue guarantee agreements or concluding and performing other agreements of a similar nature, if their subject matter is financial instruments,
7. storing or registering financial instruments, including maintaining securities accounts, derivatives accounts and omnibus accounts, and maintaining cash accounts , as well as keeping records of financial instruments,
8. advising companies on capital structure, company strategy or other issues related to such structure or strategy,
9. preparing investment analyses, financial analyzes and other general recommendations regarding transactions in financial instruments,
10. currency exchange, if it is related to brokerage activities to the extent indicated in Art. 69 section 2 of the Act on Trading.
11. consulting and other services in the field of mergers, divisions and takeovers of enterprises,
12. providing additional services related to the emission guarantee agreement.

IPOPEMA Securities S.A. is supervised by the Polish Financial Supervision Authority, whose office is located at: ul. Piękna 20, 00-549 Warsaw (PO box: 419).

5. THE NATURE, FREQUENCY AND DEADLINES OF REPORTS ON THE PERFORMANCE OF THE SERVICE THAT THE INVESTMENT FIRM IS TO PROVIDE TO THE CLIENT IN ACCORDANCE WITH ART. 25 SECTION 6 OF DIRECTIVE 2014/65/EU

1. Execution of orders to purchase or sell financial instruments on the account of the person giving the Order.

   IPOPEMA prepares and provides Clients with a report on the execution of orders on a durable medium immediately after the execution of the orders, no later than the day following the day on which the order was executed.

2. Receiving and transmitting orders to purchase or sell financial instruments.

   IPOPEMA prepares and delivers to Clients on a durable medium a report on the acceptance and transmission of orders immediately after accepting the order, no later than the day following the day on which the order was accepted.

3. Storing or recording financial instruments, including maintaining securities accounts, derivatives accounts and omnibus accounts, and maintaining cash accounts, .

   IPOPEMA prepares and provides clients with a report on stored or registered assets once a calendar quarter, immediately after the end of the quarter.

4. Investment advisory.

IPOPEMA prepares and provides clients with reports on the provision of portfolio advisory services on a durable medium at the frequency and within the time specified in the contract.

Reports related to other brokerage services provided by IPOPEMA Securities S.A. are submitted in accordance with the provisions of the agreement for the provision of a given brokerage service.

Once a year, IPOPEMA Securities S.A. provides the client, on a durable medium, with information on ex post costs and related fees related to the service provided in value and percentage terms, which were realized in the period for which the information is provided, and information presenting ex post the cumulative impact of the total costs for the return of the Client's investments made in the period for which the information is provided.

6. A SUMMARY DESCRIPTION OF THE STEPS TAKEN BY THE INVESTMENT FIRM TO ENSURE THE PROTECTION OF FINANCIAL INSTRUMENTS OR CLIENT FUNDS FOR WHICH THE INVESTMENT FIRM HOLDS OR RECORDS FINANCIAL INSTRUMENTS OR CLIENT FUNDS, INCLUDING SUMMARY INFORMATION ON ANY COMPENSATION SCHEMES OR DEPOSIT GUARANTEES

IPOPEMA Securities S.A. is a member of the mandatory compensation system operated by the National Depository for Securities ("**KDPW**",”KDPW Compensation System"), the aim of which is to protect clients' assets.

The Client's assets held in securities accounts are secured within the KDPW Compensation System up to the equivalent of 100% of EUR 3,000 and 90% of the surplus over EUR 3,000, but not more than the equivalent of EUR 22,000.

The customer is entitled to obtain the above-mentioned. amounts from the compensation scheme when:

(a) bankruptcy of the Investment Company will be announced,

(b) the bankruptcy petition will be legally dismissed due to the fact that the assets of the Investment Firm are not sufficient to cover the costs of the proceedings,

(c) The Polish Financial Supervision Authority finds that the Investment Company, for reasons purely related to its financial situation, is unable to fulfill its obligations arising from Clients' claims and it is not possible to fulfill them in the near future.

IPOPEMA records its clients' assets in financial instrument accounts and cash accounts maintained in a manner that allows for the unambiguous identification of persons who have rights to financial instruments and cash.

The National Depository for Securities maintains entity accounts reflecting the holdings of financial instruments for transactions concluded in PLN. For transactions concluded in currencies other than PLN, using the platform

Customer funds are held:

(a) in selected banks supervised by a local regulator in a Member State and operating on the basis of the local regulations of the regulator (Banking Law),

(b) on separately maintained accounts for the futures market, and on collective accounts – for the cash market and futures market for transactions concluded on the JP Morgan Securities Ltd platform.

The Investment Company cooperates with other investment companies conducting investment activities and providing investment services abroad („**Foreign Broker”**) and with foreign depositary banks („**Foreign Depositary Bank”**), which provide services to the Investment Company, respectively, in the scope of handling orders intended to subject of financial instruments quoted in foreign places of execution, and in the scope of safekeeping of these financial instruments. The above cooperation involves the risk of maintaining the continuity of the above institutions' operations – the risk of declaring bankruptcy or liquidation of these institutions.

The Investment Company informs that when selecting the Foreign Broker and the Foreign Depositary Bank whose services it uses, it exercised due diligence to ensure the protection of the Client's interests. The Investment Company is responsible for the selection of the Foreign Broker and the Foreign Depositary Bank, unless this selection was made by the Client.

The Investment Firm may store a retail Client's financial instruments in an omnibus account (*Omnibus Account type*) maintained by the Investment Firm or another investment firm. The above situation does not create a risk of inability to separate such financial instruments from the investment company's or Investment Firm's own instruments in connection with the register of rights to foreign financial instruments and the register of foreign financial instruments maintained by the Investment Firm. *The Omnibus* Account , kept by the Foreign Broker, contains only financial instruments of the Investment Company's clients. If it is necessary to keep the Investment Firm's own financial instruments on an account kept by a Foreign Broker, the Investment Firm will open a separate account for these financial instruments.

If, due to the provisions of law in force in the country in the territory of which the Client's financial instruments or funds are to be stored, it is not possible to store or register the Client's assets separately from the assets of the Investment Firm, Foreign Broker or Foreign Depositary Bank, the Investment Firm informs about including Customers. Entrusting the Client's financial instruments or funds for safekeeping by such an entity is possible provided that the Client expresses written consent to such entrustment.

The rules for the provision of services by the Foreign Broker and the Foreign Depositary Bank, including maintaining accounts in which the Clients' financial instruments are recorded, may be subject to the provisions of the law of the country in which the Foreign Broker or the Foreign Depositary Bank conducts its business. This means that the rights of the Investment Company's client may be regulated in a manner different from the regulations in force in Poland.

7. ACTING THROUGH AN INVESTMENT COMPANY AGENT

In the case of services referred to in Art. 69 section 2 points 1, 2 or 5 of the Act on Trading, brokerage services may be provided through the Investment Company's Agents – in the manner and scope specified in the relevant regulations for the provision of brokerage services and the agreement concluded between IPOPEMA Securities S.A. and the agent. The current list of the Investment Company's agents can be found on the IPOPEMA Securities S.A. website in the tab: individual client / Agent.

8. INDICATION OF DETAILED RULES FOR THE PROVISION OF SERVICES

Detailed rules for the provision of services are included in the regulations for the provision of brokerage services [1].

9. INDICATION OF THE BASIC RULES FOR THE INVESTMENT COMPANY'S HANDLING OF CUSTOMER COMPLAINTS SUBMITTED IN CONNECTION WITH THE BROKERAGE SERVICE PROVIDED

The rules for dealing with customer complaints by the investment company are included in the regulations for the provision of brokerage services.

10. INDICATION OF THE BASIC RULES OF CONDUCT OF AN INVESTMENT COMPANY IN THE EVENT OF A CONFLICT OF INTEREST

IPOPEMA Securities S.A.'s rules of conduct in the event of a conflict of interest are set out in the”Policy on managing conflict of interest at IPOPEMA Securities S.A.", which is published on the IPOPEMA Securities S.A. website.

11. INDICATION OF COSTS AND FEES IN CONNECTION WITH THE BROKERAGE SERVICE

For the provision of brokerage services, the Client will pay IPOPEMA Securities S.A. remuneration on the terms specified in the agreement concluded with the Client for the provision of these services, including the relevant Table of Fees and Commissions.

The client may incur costs related to maintaining a securities account and a cash account used to service it by third parties, as well as costs related to concluding transactions via the above-mentioned entities. entity. In addition to the costs indicated in the agreement, the Client may incur additional costs for using services not regulated by the brokerage agreement.

[1] Regulations for the provision of brokerage services – the term refers to individual regulations regarding the provision of a given brokerage service.

12. Disclosures pursuant to Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the disclosure of information related to sustainable development in the financial services sector ("SFDR Regulation")

Pursuant to Art. 6 section 2 of the SFDR Regulation, financial advisors (including investment companies providing financial advisory services) disclose a description of the following elements before concluding an agreement:

(a) how sustainability risks are introduced in the investment or insurance advisory services they provide; and

(b) the results of assessing the likely impact of sustainability risks on the returns of the financial products on which they advise.

Where financial advisers consider sustainability risks to be non-significant, the description of the elements referred to in the first subparagraph shall include a clear and concise explanation of the reasons for considering those risks to be non-significant.

Pursuant to Art. 2 point 22 of the SFDR Regulation ”sustainability risk” means an environmental, social or governance situation or conditions which, if they occur, could have an actual or potential material adverse effect on the value of an investment.

Therefore, as part of the investment analysis of a given financial instrument, in addition to purely financial information, IPOPEMA Securities S.A. also includes non-financial information, as well as any events that affect or may affect the assessment of a given financial instrument, constituting or potentially constituting a risk for sustainable development, in particular of a social nature (e.g. changes in the demographic structure, various types of civilization diseases/pandemics), economic (e.g. poverty, reduction of employee employment), corporate and regulatory (e.g. corruption, conflict of interest) and environmental (e.g. destruction of natural environment, depletion of natural resources).

At the investment analysis stage, the identification of risks for sustainable development is made on the basis of, among others:

- disclosed by issuers or producers of financial instruments, the so-called non-financial information,
- external events that may affect investment results related to a given financial instrument, including events that pose a risk to sustainable development,
- binding a given issuer or manufacturer of a financial instrument with regulations or corporate governance principles in the field of sustainable development.

At the same time, IPOPEMA Securities S.A. does not have a strategy for introducing sustainable development risks into its activities in the process of making investment decisions as part of the provision of investment advisory services, and due to the scale of its operations, it does not take into account the main adverse effects of investment decisions on sustainable development factors as part of provision of investment advisory services, however, does not rule out taking them into account after adopting a strategy regarding the introduction of sustainable development risks into the business. Detailed provisions in this respect are included in the relevant regulations for the provision of brokerage services and the agreement with the Client.

Moreover, due to the fact that the investment advisory service is provided by IPOPEMA Securities S.A., among others, in relation to open-end investment funds (including specialized open-end investment funds) managed by entities obliged to comply with the SFDR Regulation and shares listed in organized trading (the issuers of which are bound by the corporate governance rules applicable in such organized trading), IPOPEMA Securities S.A. recognizes the impact of risks for sustainable development on the return on financial products as immaterial.

13. The scope of financial instruments covered by the investment advisory service

As part of the provision of investment advisory services by IPOPEMA Securities S.A., the analysis generally covers financial instruments traded in organized trading in Poland or offered by IPOPEMA Securities S.A., which are financial instruments referred to in Art. 2 section 1 of the Act of July 29, 2005 on trading in financial instruments. The analysis may also cover financial instruments that are not in organized trading in Poland or offered by IPOPEMA Securities S.A., provided that IPOPEMA Securities S.A. considers it justified to include these instruments in the analysis or the client requests it, and IPOPEMA Securities S.A. will have the necessary knowledge and information needed to analyze a given financial instrument.

In the case of providing investment advisory services in the FIO/SFIO model portfolio variant, only investment funds distributed by IPOPEMA Securities S.A. (the list of which is available on the IPOPEMA Securities S.A. website) are subject to analysis, unless it is expressly stated otherwise in the content of a given recommendation.

III. INFORMATION ABOUT FINANCIAL INSTRUMENTS AND THE RISKS ASSOCIATED WITH INVESTING IN THESE FINANCIAL INSTRUMENTS

Investing involves risk, the level of which depends on the type of financial instrument that is the subject of the investment.

Before making an investment decision, the Client should carefully read the information about individual financial instruments and the risks associated with them. General information on individual financial instruments and the risks associated with them is provided below. Detailed information is made available by their issuers in issue prospectuses, information memorandums, terms of trading and issue, information prospectuses and key information for investors. The information contained in this document does not describe all risks. In addition, the price of financial instruments is influenced by many different factors that may be independent of issuers and the results of their operations, e.g. changing economic, legal, political and tax conditions.

Information about historical rates of return on a given instrument or service does not constitute a guarantee of their achievement in the future and should not be treated as an announcement of such results. Investing in financial instruments involves the risk of losing part or all of the invested funds and even the need to incur additional costs. The use of credit products or a receivable limit is associated with financial leverage, which creates the opportunity to achieve a higher rate of return, but may also lead to greater losses.

FINANCIAL INSTRUMENTS WITH AN EQUITY PROFILE

1. SHARES

   A share security issued by a joint-stock company or a limited joint-stock partnership, which incorporates all the rights a shareholder has in relation to the company, including: the right to participate in the company's profits in the form of a dividend, the right to vote at the general meeting; the right to divide the company's assets in the event of its liquidation. Shares – both public companies (i.e. at least one share of which is admitted to trading on a regulated market or introduced to trading in an alternative trading system in the territory of the Republic of Poland) and non-public companies – are subject to mandatory dematerialization. Therefore, they are registered in the KDPW system or in the register of shareholders kept by an authorized entity, respectively. . Shares are characterized by significant price volatility, especially in the short term. IPOPEMA Securities S.A. provides brokerage services regarding shares in organized trading and shares not admitted to trading on the organized market.

2. RIGHTS TO SHARES

   A security due to an investor who purchased shares of a new issue. Rights to shares (pol. *PDA*) arise after the issuer allocates new issue shares and may be traded just a few days after the allocation and before the new issue shares are registered by the district court. The purpose of the PDA is to shorten the waiting time for investors between the allocation of new issue shares and their first listing on the regulated market. Owning a PDA does not give the same rights as owning shares of the same company. Share issuers are not obliged to introduce new unregistered shares in the form of PDA each time. PDAs are characterized by relatively high price volatility, which means that in many cases the price of PDA is higher or lower than the price of shares of the same company. Upon registration of a new share issue by the district court, the PDA is converted into shares.

3. PRE-EMTIVE RIGHTS

   A security constituting a priority right that existing shareholders are entitled to take up shares from a new issue. It may be traded on a regulated market. The purpose of the pre-emptive right is to maintain the current shareholding structure, i.e. to protect against the so-called dilution of share capital. By exercising the pre-emptive right, existing shareholders have the opportunity to retain their existing share in the joint-stock company. If this instrument is allocated in a situation where there is no clearly defined issue price of new shares, its valuation is based on the expectations of individual market participants as to the issue price. Due to the fact that the main feature of this financial instrument is a short period of operation in organized trading, the existing shareholder, in order to use the rights arising from the pre-emptive rights granted to him, should place an appropriate subscription for shares of the new issue using pre-emptive rights or sell them no later than on the last day quotations of subscription rights, otherwise he will not receive any payment upon their expiry.

4. SUBSCRIPTION WARRANTS

   Securities issued by joint-stock companies, convertible into shares or incorporating the right to subscribe for shares. Warrant holders receive the right to purchase shares from the increased capital within a specified period and at a specified price. They may be traded separately on a regulated market.

THE MAIN RISK FACTORS ASSOCIATED WITH INVESTING IN EQUITY FINANCIAL INSTRUMENTS ARE:

Macroeconomic risk reflects the sensitivity of the capital market to macroeconomic data from Poland and around the world, which include, among others: the rate of economic growth, the degree of macroeconomic imbalance (budget, trade and current account deficits), the volume of consumer demand, the level of investment, the level interest rates, inflation level, raw material prices or geopolitical situation. Capital markets are also influenced by expectations regarding the development of economic parameters in the future.

Industry (microeconomic) risk, i.e. the risk of the impact of the situation in a given sector on the results and prospects of companies operating in it – shares of a company operating in a given industry are susceptible to, among others, to the risk of changes in demand for products and services offered by the company, the risk of changes in the competitive situation, or the risk of significant technological changes.

Company-specific risk concerns the risk of an individual business entity, which includes, among others: the quality of the management board's work, changes in strategy, changes in the company's business model, changes in the quality of corporate governance, conflicts in shareholding, dividend policy and other specific advantages or weaknesses of the company, and also a random event relating to a given company.

In addition to the above-mentioned risk factors, the above-mentioned financial instruments are subject to general risks related to investments on the capital market, which include liquidity risk, fluctuations in the price of a given financial instrument, and the risk of suspension of trading in shares or withdrawal of shares from organized trading.

DERIVATIVES

Financial instruments whose market price depends directly or indirectly on the price of the underlying instrument, i.e. another financial instrument, a foreign currency unit, an interest rate or a stock exchange index (e.g. WIG20). Derivative instruments are used to protect against the occurrence of changes in the valuation of the underlying instrument that are different than expected and to invest in a given asset class without the need to purchase the underlying instruments. They operate based on the financial leverage mechanism, which allows the conclusion of transactions with a value exceeding the value of the invested capital. A distinction is made between standardized derivatives, i.e. financial instruments available to a wide range of investors, offered on a regulated market, with pre-established uniform conditions for purchasing and selling these instruments (e.g. derivatives on indices, bonds or currencies) and non-standardized derivatives, i.e. created and negotiated between the parties to the transaction in order to meet the specific needs of investors.

1. FUTURES

   A futures contract is a derivative instrument constituting an agreement between the parties in which the parties undertake to purchase or sell a specific underlying instrument at a specific time in the future at a price determined when concluding the above-mentioned instrument. contracts. The underlying instruments may include, among others: shares, currencies, stock indices. Contracts are traded in the so-called series, covering all contracts with the same expiry date. Futures contracts are divided into *forward contracts* and *futures contracts* . *Forward* contracts are non-standardized financial instruments.

They are available only in over-the-counter trading. Terms of the *forward contract* include: its size, price, settlement method, deadline and method of securing the transaction are each time agreed between the parties to the transaction. *Futures* contracts are standardized financial instruments, i.e. the type and quality of goods, contract size, contract execution date, place of delivery, and settlement method are predetermined. The price of a *futures* contract is determined on a regulated market.

A client who has bought or sold a futures contract is said to have an open position, either long or short, respectively. He may maintain it until the contract execution date or withdraw from the market (close the position) at any time. If he bought a contract (i.e. he has a long position), in order to close the position, he must sell the contract with the same execution date. If he has sold the contract (i.e. has a short position), he must buy it to close the position.

futures contract standard on its website www.gpw.pl. Liabilities arising from futures contracts settled on the exchange are settled daily, and the security of trading is ensured by the clearing house. In order to secure the settlement of the transaction, each investor pays a security deposit.

2. OPTIONS

Options are derivative instruments that give their buyer the right, but not the obligation, to buy (call option) or sell (put option) a specific underlying instrument, at a specific price, at a specific time or to make an appropriate financial settlement, i.e. the so-called option exercise. Unlike the buyer, the seller of an option is obliged to sell or buy a given underlying instrument from the buyer of the option if the latter decides that he wants to exercise his right. In practice, an option is exercised if the price it predicts is better than the price offered on the open market at that time. The profit of the option buyer is then equal to the difference between the market price and the exercise price of the option.

Options come in the so-called series covering all options of a given type with the same exercise date. Among the options listed on the Warsaw Stock Exchange, the underlying instrument is the WIG20 index. Liabilities for these options are settled only in the form of cash settlement.

A client who has bought or sold options is said to have an open position. He may keep it until the option exercise date or withdraw from the market (close the position) at any time. If he bought an option, to close out the position, he must sell the option with the same exercise date and the same strike price. If he sold an option, he must buy it to close the position.

3. WARRANTS

These are cash market instruments (securities) having the characteristics of a derivative instrument. Warrants are securities having an issuer and constitute an unconditional and irrevocable undertaking by the issuer to pay the settlement amount to the eligible owners of the warrants. Option warrants have a similar structure and characteristics to subscription warrants, differing only in the issuer. Subscription warrants are issued only by the issuers of the underlying instrument, while option warrants may be issued by banks and other financial institutions, e.g. brokerage houses, e.g. for shares of other companies already in organized trading. Option warrants are usually settled by cash settlement for an amount equal to the difference between the settlement price and the value of the underlying instrument on the settlement date. The underlying instrument of subscription warrants may be both financial instruments and economic indicators, in particular quotation indices and interest rates.

4. INDEX UNITS (MINIWIG20)

Index units are financial instruments whose price reflects changes in the value of a given stock index. This instrument enables an investment almost equivalent to purchasing the entire portfolio of a given index without the need to purchase individual shares included in this index. MiniWIG20 index units are listed on the WSE, reflecting changes in the WIG20 index.

THE MAIN RISK FACTORS ASSOCIATED WITH INVESTING IN DERIVATIVES:

Derivatives are considered high-risk investments. The risk incurred by the investor in connection with investing in this type of financial instruments is directly related to the risk factors that are characteristic of the underlying instrument. In addition, risk factors are:

- Risk related to the value of the underlying instrument – the value of a derivative instrument depends on the prices of the underlying instrument on which it was based.

- Liquidity risk – the risk associated with potentially low liquidity of some derivative financial instruments, which may result in problems with exiting the investment at a specific time and at the desired price.
- Leverage-relater risk (futures) – the value of the underlying instrument on which the futures contract is issued is usually significantly higher than the value of the security deposit, therefore the investor must take into account the possibility of incurring a loss higher than the amount of the deposited funds. The risk of unlimited losses also applies to option sellers.

DEBT FINANCIAL INSTRUMENTS

1. BONDS

   Debt securities issued in a series in which the issuer states that it is a debtor of the bond owner (bondholder) and undertakes to fulfill a specific obligation towards him. The sale of bonds therefore means that the issuer incurs a debt to the bond buyers. This debt is repaid as a cash receivable within a strictly defined period of time together with interest, the method of calculation of which is specified in the terms and conditions of the bond issue. The amount of this debt is the nominal value of the bond, and the date of its repayment by the issuer is the bond's redemption date. Unlike stocks, bonds do not give the holder ownership title in the company. Due to the interest rate, we distinguish fixed- and variable-rate bonds (coupon bonds) and zero-coupon bonds.

   They may be issued by the state (treasury bonds) or other entities, for example companies (corporate bonds) or local government units (municipal bonds). Bonds are issued for a fixed period.

   Retail client within the meaning of Art. 3 point 39c of the Act on Trading, being a natural person may purchase bonds if the nominal value of the bonds is not less than EUR 40,000 or the equivalent of this amount expressed in Polish or other currency . The restrictions referred to in the previous sentence do not apply if the bonds are admitted – or are subject to an application for admission – to trading on a regulated market or introduced to alternative trading.

2. COVERED BONDS

   A security whose issuance is based on receivables secured by a mortgage, in which the pledger (e.g. a mortgage bank) undertakes to provide specific monetary benefits to the beneficiary. The bank's obligations under the letter are entirely covered by the bank's receivables secured by mortgages (mortgage covered bonds) or receivables guaranteed, guaranteed or granted to public and international institutions listed in the Act on Mortgage Bonds and Mortgage Banks (public mortgage bonds).

THE MAIN RISK FACTORS ASSOCIATED WITH INVESTING IN DEBT FINANCIAL INSTRUMENTS ARE:

- Credit risk – the risk of insolvency of the issuer, guarantor or guarantor of a security.
- Risk of default – the risk of the issuer failing to meet its obligation to redeem bonds/covered bonds or pay interest.
- Interest rate risk – expressing the impact of interest rates and their structure on bond prices.
- Liquidity risk – risk associated with low liquidity of a financial instrument, which may result in problems with exiting the investment at a specific moment.

PARTICIPATION UNITS, INVESTMENT CERTIFICATES AND OTHER PARTICIPATION TITLES

1. PARTICIPATION UNITS

   Financial instruments constituting a legal title to participate in an open-end investment fund or a specialized open-end investment fund. Open-end investment funds or specialized open-end investment funds may sell an unlimited number of participation units and are obliged to repurchase them at each investor's request. The value of a participation unit depends on the value of all financial instruments included in the fund's investment portfolio, determined by the fund through a valuation usually performed every business day. The units have a dematerialized form and are entered in the register of fund participants. The units are not subject to trading on the secondary market, but they can be redeemed at the owner's request through the fund, which involves paying the owner an amount representing the value of the redeemed units on a given day. The risk associated with investing in participation units depends largely on the investment policy and strategy adopted by the fund.

2. INVESTMENT CERTIFICATES

Securities issued by closed-end investment funds, reflecting the share of the purchaser of an investment certificate in the assets of a given investment fund. The aim of investment funds is to invest/invest funds paid by fund participants in the most favorable manner or to strive to reflect the behavior (results, price movements) of the underlying instruments, which may be: shares, indices, debt securities, interest rates, currencies, raw materials, ETFs or other certificates. . Investment certificates may reflect the behavior of the above-mentioned underlying instruments in a 1:1 manner or have a built-in financial leverage mechanism. The issuer periodically evaluates certificates based on the valuation of the assets included in the fund. If investment certificates are introduced to trading on a regulated market, they are additionally subject to daily market valuation. Investment certificates are subject to redemption by an investment fund or, if they are traded on a regulated market, their owner may sell them.

3. SHARES IN A FOREIGN ETF (EXCHANGE TRADED FUND)

Financial instruments constituting a legal title to participate in an investment fund listed on a stock exchange, the aim of which is to reflect the behavior (results) of a given market index (shares, debt securities, commodities , currencies). ETF shares may be redeemed daily. They are quoted on the same principles as shares.

4. EXCHANGE TRADED NOTE (ETN)

Exchange Traded Note is a type of ETF. ETNs are a debt instrument usually issued by a bank. This instrument is not secured by any assets, which means that there is an increased risk of the issuer. A change in the issuer's risk assessment may result in a change in the value of the ETN regardless of changes in the underlying instrument, e.g. due to a downgrade in the issuer's credit rating, the value of the ETN may decline despite no changes in the underlying index. Additionally, the ETN may be liquidated or the issuer may redeem the units prior to maturity.

THE MAIN RISK FACTORS ASSOCIATED WITH INVESTING IN PARTICIPATION UNITS, PARTICIPATION TITLES AND INVESTMENT CERTIFICATES ARE:

- Risk related to the fund's investment policy – the fund manager may make incorrect decisions regarding the fund's investment portfolio; the risk of selecting financial instruments is limited by diversifying the investment portfolio.
- Capital market risk – limited trading in investment certificates may cause the price of certificates in secondary trading to differ significantly from the issue price or valuation made by the fund, and there may also be problems with closing the position at a selected time.
- Liquidity risk – there is a risk that the repurchase of units or participation titles by an investment fund or mutual investment institution may be temporarily suspended.

The value of participation units or investment certificates also depends on the occurrence of specific risk factors for individual classes of assets constituting the assets of a given fund.

BANK SECURITIES

Bank Securities (BPW) are issued pursuant to the Act of August 29, 1997, Banking Law. The Issuer undertakes to the holders of BPWs to provide a cash benefit consisting in the payment of the redemption amount and a bonus on the terms specified in the documents regulating the terms and conditions of issue of a given BPW. BPW are guaranteed by the Bank Guarantee Fund in accordance with the provisions of the Act of 10 June 2016 on the Bank Guarantee Fund, the deposit guarantee system and compulsory restructuring. The Issuer does not guarantee profits from BPW, but only the return of a predetermined amount (nominal value) on the redemption date.

The main types of risks associated with investing in Bank Securities: market risk, currency risk for BPW denominated in foreign currencies, valuation risk, market liquidity risk, credit, settlement and operational risk, legal, accounting, tax and operational risk.

FOREIGN FINANCIAL INSTRUMENTS

Investments in the above-mentioned financial instruments of foreign markets are characterized by similar risk factors. Moreover, investments in foreign markets involve additional risk factors: exchange rate risk, risk of delay in access to information, risk of legal or tax changes in the countries where investments are made. Foreign financial instruments include:

1. ADR

   ADR (American Depository Receipts) – a security that is issued by American financial institutions to enable American investors to invest capital in shares of foreign companies GDR (Global Depository Receipts) – i.e. global depositary receipts. A certificate issued by a financial institution to certify shares deposited with the bank that issues the certificate. The risk in the case of ADR and GDR is identical to the risk factors related to shares, and additionally includes legal risk related to the fact that these financial instruments are issued on the basis of legal regulations in force in a legal system other than the Polish one, as well as exchange rate risk, because in During the trading day, the ADR/GDR price may differ slightly from the share price at which it was issued.

2. Treasury bonds denominated in foreign currencies.
3. Corporate bonds denominated in foreign currencies.

STRUCTURED INSTRUMENTS

Structured products with an embedded financial instrument are created as a result of combining banking (or insurance) products and financial instruments. The aim of a structured product is to be able to make a profit while ensuring the protection of part/all of the invested capital. A structured product may take the form of a structured certificate, a structured bond, or a direct option contract .

Depending on the structure of the financial instrument, structured products are characterized by a full or partial guarantee of return of capital at the time of settlement of the contract. Products guaranteeing full protection of capital are characterized by greater security and a lower rate of possible profits than products with partial protection of invested capital, under which clients have a greater share in the profits from a given financial instrument, but are also exposed to losses depending on the fluctuations of a given financial instrument. market indicator on which the structured product is based. The most popular market indicators on which structured products are based and on which the value of interest payments depend are stock indices, company share prices, commodity prices, currency rates, and interest rates.

III A. INFORMATION FOR POTENTIAL RETAIL CLIENTS OF THE OFFERING SERVICE (ISSUERS) ABOUT THE PRODUCTS THAT MAY BE THE SUBJECT OF THE SERVICE PROVIDED AND ABOUT SPECIFIC RISKS RELATED TO THE ISSUANCE OF SPECIFIC FINANCIAL INSTRUMENTS BY THE CLIENT.

Issuing financial instruments involves risk, the level of which depends on the type of financial instrument that is the subject of the investment.

Before deciding to issue financial instruments, the Client should carefully read the information about individual financial instruments and the risks associated with them. General information on individual financial instruments (described in point III above) and the risks associated with them is provided below. The information contained in this document does not describe all existing risks. Changing economic, legal, political and tax conditions may affect the risks associated with issuing individual financial instruments.

THE MAIN RISK FACTORS ASSOCIATED WITH OFFERING FINANCIAL INSTRUMENTS WITH AN EQUITY PROFILE:

- Risk of changing the offer schedule – an intentional or unintentional change in the dates of the offer of the issuer's instruments may be assessed by potential investors as a loss of possible benefits that investors could achieve by investing these funds in other instruments available on the market. Due to changes in the offering schedule, some investors may decide not to participate in the offering.
- Risk of the offer not being effective – the offer may not be effective, among others: in the event of invalid subscriptions or failure to pay within the deadlines specified by the issuer. If the offer is not successful, the funds are returned to investors who submitted and paid for the subscription. The Issuer remains obliged to bear the costs related to the preparation and implementation of the offer, which was not

successful.

- Risk of suspension of the offer or withdrawal of the issuer from carrying out the offering – in the appropriate offering document, the issuer specifies the conditions under which the offer may be suspended or withdrawal from carrying out the offer. These premises may result from generally applicable regulations. If a decision is made to continue the offering at a later date or under changed conditions, the factors underlying the investment decision may change, which may result in an overall deterioration of the issuer's expected proceeds from the offering.
- Risk of violating legal provisions relating to the conduct of an offer – violating legal provisions relating to the conduct of an offer involves the risk of suspending the offer and/or imposing sanctions on the issuer (or the entity selling instruments as part of the offer). In such a case, the issuer (entity selling financial instruments as part of an offer) may be liable for damages on general principles or liability arising from specific provisions regarding the conduct of offers.
- Risk of reduction of subscriptions – if properly paid subscriptions are submitted in a number greater than the number of instruments being the subject of the offer, it may be necessary to reduce the subscriptions. In this case, the allocation of the offered instruments may be made, for example, based on the order of submitted subscriptions, at the discretion of the issuer in consultation with IPOPEMA Securities S.A., or based on the principle of proportional reduction of subscriptions. The consequence of the reduction is that investors receive a smaller number of instruments than expected or they do not receive any instruments.
- Risk of delay or non-introduction of instruments to trading – if the issuer plans to introduce instruments to organized trading, it should meet the requirements specified, among others, in the WSE Regulations (or the Regulations of the Alternative Trading System organized by the WSE) and the relevant provisions of generally applicable law. If these requirements are not met, the instruments being the subject of the offer may not be introduced to trading on the expected date or their introduction to trading may be refused. The consequence of such a situation may be, among others: reputational risk of the issuer, limited liquidity of existing instruments already introduced to trading or failure of the issuer to achieve the assumed objectives of the offering.
- Risk of suspension or exclusion of instruments introduced to trading – in the future, there may be grounds for suspending or excluding offered instruments that were introduced to trading on the WSE, and therefore, trading in these instruments may be suspended or the instruments may not be excluded from trading on the WSE. Suspension or exclusion of instruments from trading will prevent investors from trading these instruments on the WSE, which may negatively affect the liquidity of these instruments and the perception of the issuer by investors.
- Macroeconomic risk – reflects the general sensitivity of the capital market to macroeconomic data from the country and from around the world, which include: economic growth rate, degree of macroeconomic imbalance (budget, trade and current account deficits), the size of consumer demand, the level of investment, the level of interest rates, the level of inflation, the level of commodity prices or the geopolitical situation. Capital markets are also influenced by expectations regarding the development of economic parameters in the future. The general situation on the markets may affect the success of the offering, understood as achieving the proceeds from the issue expected by the issuer or attracting the expected categories of investors.
- Industry (microeconomic) risk – i.e. the risk of the impact of the situation in a given sector on the results and prospects of the offer of instruments of an issuer operating in a given industry – issuers are susceptible to, among others, to the risk of changes in demand for products and services offered by the issuer, the risk of changes in the competitive situation, or the risk of significant technological changes. Industry risk affects the perception of the issuer by market participants – potential investors interested in participating in the offer of instruments offered by the issuer.
- Public company risk – the results achieved by an issuer that is a public company and its information policy have a significant impact on the valuation of quoted instruments, in particular shares (rights to shares, pre-emptive rights, warrants) and their price volatility, which may be high in the short term. intervals.
- Risk of future price developments – in the case of shares (rights to shares, pre-emptive rights, warrants) introduced to organized trading, the issuer is uncertain as to the direction of the price development of the

instruments, which may affect the financial situation of the issuer and the ability to implement its plans . investment.

<u>THE MAIN RISK FACTORS ASSOCIATED WITH OFFERING DEBT FINANCIAL INSTRUMENTS:</u>

- Risk of changing the offer schedule – an intentional or unintentional change in the dates of the offer of the issuer's instruments may be assessed by potential investors as a loss of possible benefits that investors could achieve by investing these funds in other instruments available on the market. Due to changes in the offering schedule, some investors may decide not to participate in the offering.
- Risk of the offer not being effective – the offer may not be effective, among others: in the event of invalid subscriptions or failure to pay within the deadlines specified by the issuer. If the offer is not successful, the funds are returned to investors who submitted and paid for the subscription. The Issuer remains obliged to bear the costs related to the preparation and implementation of the offer, which was not successful.
- Risk of suspension of the offer or withdrawal of the issuer from carrying out the offering – in the appropriate offering document, the issuer specifies the conditions under which the offer may be suspended or withdrawal from carrying out the offer. These premises may result from generally applicable regulations. If a decision is made to continue the offering at a later date or under changed conditions, the factors underlying the investment decision may change, which may result in an overall deterioration of the issuer's expected proceeds from the offering.
- Risk of violating legal provisions relating to the conduct of the offering – violating legal provisions relating to the conduct of the offering involves the risk of suspending the offering and/or imposing sanctions on the issuer (or the entity selling instruments as part of the offering). In such a case, the issuer (entity selling financial instruments as part of an offer) may be liable for damages on general principles or liability arising from specific provisions regarding the conduct of offers.
- Risk of reduction of subscriptions – if properly paid subscriptions are submitted in a number greater than the number of instruments being the subject of the offer, it may be necessary to reduce the subscriptions. In this case, the allocation of the offered instruments may be made, for example, based on the order of submitted subscriptions, at the discretion of the issuer in consultation with IPOPEMA Securities S.A., or based on the principle of proportional reduction of subscriptions. The consequence of the reduction is that investors receive a smaller number of instruments than expected or they do not receive any instruments.
- Risk of delay or non-introduction of instruments to trading – if the issuer plans to introduce instruments to organized trading, it should meet the requirements specified, among others, in the WSE Regulations (or the Regulations of the Alternative Trading System organized by the WSE) and the relevant provisions of generally applicable law. If these requirements are not met, the instruments being the subject of the offer may not be introduced to trading on the expected date or their introduction to trading may be refused. The consequence of such a situation may be, among others: reputational risk of the issuer, limited liquidity of existing instruments already introduced to trading or failure of the issuer to achieve the assumed objectives of the offering.
- Risk of suspension or exclusion of instruments introduced to trading – in the future, there may be grounds for suspending or excluding offered instruments that were introduced to trading on the WSE, and therefore, trading in these instruments may be suspended or the instruments may not be excluded from trading on the WSE. Suspension or exclusion of instruments from trading will prevent investors from trading these instruments on the WSE, which may negatively affect the liquidity of these instruments and the perception of the issuer by investors.
- Market risk – prices of financial instruments offered by the issuer may be subject to fluctuations under the influence of general market trends in the country and worldwide, depending on investors' assessment of the development prospects, which may result in downward trends.
- Macroeconomic risk – the issuer is exposed to macroeconomic risk resulting from the potential impact of the economic situation in the country and worldwide on the market prices of instruments offered by the issuer.
- Interest rate risk – the level of interest rates and their structure affects the prices of instruments offered

by the issuer and the amount of liabilities resulting from them – changes in interest rates may result in a change in the costs of servicing the instruments, expressed in particular in an increase in the total value of the issuer's liabilities.

- Currency risk – the issuer is exposed to currency risk, defined as the risk of loss caused by changes in exchange rates, also through the indirect impact of the exchange rate on the issuer's long-term results or the impact of currency fluctuations on the valuation of instruments offered by the issuer.
- Issuer's liquidity risk – the issuer is exposed to the risk of being unable to fulfill its obligations when they become due, which may lead to investors filing claims, as well as their requesting the opening of bankruptcy or restructuring proceedings for the issuer.
- Risk of failure to meet the issuer's obligations – the risk of the issuer's failure to fulfill the obligation to redeem the instruments or pay interest on time, which may result in investors filing claims against the issuer and incurring additional costs, including those related to the payment of interest for delay and handling legal proceedings.
- Risk of excessive concentration of assets or markets – the issuer is exposed to restrictions resulting from applicable legal provisions regarding the possibility of investing assets in securities or other financial instruments of specific entities, including entities operating on one market.
- The risk of early redemption of the instrument at the request of the entitled person – occurs, for example, in the case of bonds with the option of early redemption at the request of the bondholder. If such an option is included in the issue document, the issuer is not able to estimate with certainty the dates and volumes of flows resulting from early redemption requests.
- Legal and tax risk – related to changes in regulations and interpretative doubts related to the application of legal provisions, including tax law, in relation to issuers of debt financial instruments. As a result of changes in regulations and related obligations of issuers, issuers may have to incur additional costs.
- Specific risk – the individual situation of the issuer whose instruments are purchased by a given investor (e.g. adopted investment policy), which may affect the issuer's ability to timely fulfill obligations arising from the issued instruments.

THE MAIN RISK FACTORS ASSOCIATED WITH OFFERING INVESTMENT CERTIFICATES AND OTHER PARTICIPATION TITLES:

- Risk of changing the offer schedule – an intentional or unintentional change in the dates of the offer of the issuer's instruments may be assessed by potential investors as a loss of possible benefits that investors could achieve by investing these funds in other instruments available on the market. Due to changes in the offering schedule, some investors may decide not to participate in the offering.
- Risk of the offer not being effective – the offer may not be effective, among others: in the event of invalid subscriptions or failure to pay within the deadlines specified by the issuer. If the offer is not successful, the funds are returned to investors who submitted and paid for the subscription. The Issuer remains obliged to bear the costs related to the preparation and implementation of the offer, which was not successful.
- Risk of suspension of the offer or withdrawal of the issuer from carrying out the offering – in the appropriate offering document, the issuer specifies the conditions under which the offer may be suspended or withdrawal from carrying out the offer. These premises may result from generally applicable regulations. If a decision is made to continue the offering at a later date or under changed conditions, the factors underlying the investment decision may change, which may result in an overall deterioration of the issuer's expected proceeds from the offering.
- Risk of violating legal provisions relating to the conduct of the offering – violating legal provisions relating to the conduct of the offering involves the risk of suspending the offering and/or imposing sanctions on the issuer (or the entity selling instruments as part of the offering). In such a case, the issuer (entity selling financial instruments as part of an offer) may be liable for damages on general principles or liability arising from specific provisions regarding the conduct of offers.
- Risk of reduction of subscriptions – if properly paid subscriptions are submitted in a number greater than the number of instruments being the subject of the offer, it may be necessary to reduce the subscriptions.

In this case, the allocation of the offered instruments may be made, for example, based on the order of submitted subscriptions, at the discretion of the issuer in consultation with IPOPEMA Securities S.A., or based on the principle of proportional reduction of subscriptions. The consequence of the reduction is that investors receive a smaller number of instruments than expected or they do not receive any instruments.

- Risk of delay or non-introduction of instruments to trading – if the issuer plans to introduce instruments to organized trading, it should meet the requirements specified, among others, in the WSE Regulations (or the Regulations of the Alternative Trading System organized by the WSE) and the relevant provisions of generally applicable law. If these requirements are not met, the instruments being the subject of the offer may not be introduced to trading on the expected date or their introduction to trading may be refused. The consequence of such a situation may be, among others: reputational risk of the issuer, limited liquidity of existing instruments already introduced to trading or failure of the issuer to achieve the assumed objectives of the offering.
- Risk of suspension or exclusion of instruments introduced to trading – in the future, there may be grounds for suspending or excluding offered instruments that were introduced to trading on the WSE, and therefore, trading in these instruments may be suspended or the instruments may not be excluded from trading on the WSE. Suspension or exclusion of instruments from trading will prevent investors from trading these instruments on the WSE, which may negatively affect the liquidity of these instruments and the perception of the issuer by investors.
- Risk related to the fund's investment policy – the fund manager may make wrong decisions regarding the fund's investment portfolio. There is also a risk of selecting financial instruments, which is limited, among others, by: through the principle of investment portfolio diversification.
- Risk of valuation variability – there is a risk of significant variability in the valuation of individual instruments, which varies depending on the type of fund and the adopted investment policy.
- Credit risk – means the risk of failure to meet their obligations by the issuer's counterparties with whom the issuer has concluded agreements or carries out transactions on instruments that are the subject of the fund's investments. The insolvency of any counterparty may adversely affect the net asset value of the fund and the net asset value of the instrument.
- Risk related to excessive concentration of assets or markets – means risks resulting from the principles of allocating the fund's assets in the manner specified by applicable regulations. There is a particular risk in the case of instruments issued by issuers operating on one market.
- Currency risk – a change in the currency rates in which the underlying assets are valued relative to the currency in which the instruments are valued generates a risk of a decline in the value of the issuer's net assets.
- Risk of price volatility – prices of individual instruments may be subject to significant fluctuations even in a short period, causing a change in the value of capital invested in a given asset.
- Risk related to the storage of assets – in the event of cessation or limitation of operations, there may be a risk of limitation of the issuer's disposal of the stored instruments.
- Capital market risk – limited trading in instruments, especially investment certificates, may cause the price of certificates in secondary trading to differ significantly from the issue price set in the offer or valuation made by the fund.
- Legal and tax risk – related to changes in regulations and interpretative doubts related to the application of legal provisions, including tax law, to issuers of financial instruments. As a result of changes in regulations and related obligations of issuers, issuers may have to incur additional costs. Changes in tax law and applicable tax interpretations may affect the financial situation of funds and fund management entities.
- Specific risk – the individual situation of the issuer whose instruments are purchased by a given investor (e.g. adopted investment policy) may affect the issuer's ability to meet its obligations on time.

IV. CUSTOMER CLASSIFICATION

A customer using financial products and services must be assigned to one of the following categories:

- Retail client – his service requires the highest information involvement on the part of the Investment Firm,
- Professional client – MiFID directives assume that the professional client has appropriate tools, knowledge and experience that allow for independent assessment of investment risk, therefore its service does not require the highest information involvement on the part of the Investment Firm,
- Eligible counterparty – with the narrowest level of information involvement on the part of the Investment Firm; it is assumed that they are fully informed about the types of investment risks and are aware of these risks.

1. RETAIL CUSTOMER

A retail client is a client who is neither a professional client nor an eligible counterparty.

2. PROFESSIONAL CLIENT

Pursuant to the Trading Act, a professional client is:

a) bank,
b) investment company,
c) insurance company,
d) investment fund, alternative investment company, investment fund company or ASI manager,
e) pension fund or pension society,
f) commodity brokerage house,
g) an entity concluding, as part of its business activity, on its own account, transactions on futures, options or other derivatives markets or on money markets solely for the purpose of securing positions taken on these markets, or acting for this purpose on the account of other members of such markets, how much responsibility the clearing participants of these markets have for fulfilling the obligations arising from these transactions;
h) other than those indicated in point ag financial institution,
i) institutional investor other than the one indicated in point ah conducting regulated activities on the financial market,
j) an entity conducting activities outside the Republic of Poland equivalent to those conducted by the entities indicated in point (a). ai,
k) an entrepreneur who meets at least two of the following requirements, where the equivalent of the amounts indicated in euro is calculated using the average euro exchange rate established by the National Bank of Poland on the date of preparation of the financial statements by a given entrepreneur:
   - the balance sheet total of this entrepreneur is at least EUR 20,000,000,
   - the value of sales revenues achieved by this entrepreneur is at least EUR 40,000,000,
   - the equity or own fund of this entrepreneur is at least EUR 2,000,000,
l) a public body that manages public debt, a central bank, the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank or another international organization performing similar functions,
m) another institutional investor whose main activity is investing in financial instruments, including entities securitizing assets or concluding other types of financial transactions,
n) entity other than those indicated in point am, who is treated as a professional client, provided that he has the knowledge and experience to make appropriate investment decisions, as well as to properly assess the risks associated with these decisions; This condition is deemed to be met if the entity meets at least two of the following requirements:
   - concluding transactions of a significant value (in accordance with the regulations of IPOPEMA Securities S.A., a value constituting the PLN equivalent of at least EUR 40,000 was considered a significant value) on the relevant market, with an average frequency of at

least 10 transactions per quarter over the last four quarters,

- the value of the entity's financial instrument portfolio, including the cash it comprises, is at least the PLN equivalent of EUR 500,000,
- working in the financial sector for at least one year in a position that requires professional knowledge regarding transactions in financial instruments or brokerage services that will be provided on the basis of the concluded contract.

3. ELIGIBLE COUNTERPARTY

The eligible counterparty is the Professional Client referred to in point (a). aj and lm above, with which the Brokerage House concludes transactions or mediates in their conclusion as part of:

- order execution services,
- order acceptance and transfer services,
- transactions of purchasing or selling financial instruments on own account.

CHANGING THE CUSTOMER CATEGORY

A necessary condition for changing the category from ”Retail Client” to ”Professional Client” is to submit a written request to the Brokerage House to be treated as a Professional Client.

IPOPEMA Securities S.A., in order to provide the Client with a high level of security and protection of investment activities, may refuse to change the category assigned to the Client to a higher one.

IPOPEMA Securities S.A. reserves that in the case of certain brokerage services provided, in particular, through the Investment Company Agent, it may treat all clients as retail clients.

A client classified as professional may apply to change his status to ”Retail Client". The condition for obtaining such a status is to submit an appropriate application to the Brokerage House.

IPOPEMA Securities S.A. may change the Client's category to a lower one on its own initiative if it receives information that the Client no longer meets the conditions for being treated as a professional Client. Information about the change of category is provided to the Customer.

The client is obliged to provide IPOPEMA Securities S.A. with all relevant information that could affect the assigned category.

The final decision to change the client's category is made by IPOPEMA Securities S.A.

THE SCOPE OF PROTECTION AVAILABLE TO PARTICULAR CATEGORIES OF CUSTOMERS

Scope of protection and information provided	Retail customer	Professional client	Eligible counterparty
Development of the Regulations for the provision of brokerage services	■	-	-
Providing the MiFID Information Brochure , containing, among others: detailed information about the Brokerage House and the services provided, as well as the characteristics of the instruments and the investment risk associated with them	■	■	■
Conducting a suitability assessment*	■	■	-
Providing information regarding the applicable rules for managing conflicts of interest	■	■	■
Providing information about a conflict of interest	■	■	■
Providing information about incentives	■	■	■
Providing confirmation of the conclusion of the transaction by the Customer after the transaction	■	■	-
Providing, at the Customer's request, information	■	■	-

regarding the status of order execution			
Providing a report on the execution of orders immediately after the execution of orders	▪	▪	▪
Providing a report on the receipt and transmission of orders immediately after accepting orders	▪	▪	▪
Reporting on assets held or recorded once per calendar quarter	▪	▪	▪
Submitting a report on the provision of portfolio advisory services with the frequency and within the time specified in the contract	▪	▪	▪
Providing the Policy for executing orders and acting in the client's best interest	▪	▪	▪
Providing information regarding the rules of treatment of professional clients	▪	▪	▪

**In the case of providing the service of offering financial instruments and providing the service in the performance of concluded issue guarantee agreements or concluding and performing other agreements of a similar nature, if their subject matter is financial instruments, IPOPEMA may assess the suitability only in the scope of the client's knowledge and experience. in the case of providing the service of purchasing and selling financial instruments on one's own account, foreign exchange if it is related to brokerage activities, storing or registering financial instruments, including maintaining securities accounts, derivatives accounts and keeping cash accounts, preparing investment analyses, financial analyzes and other recommendations of a general nature regarding transactions in financial instruments, consulting for enterprises in the field of capital structure, enterprise strategy or other issues related to such structure or strategy, consulting and other services in the field of mergers, divisions and takeovers of enterprises are not carried out suitability assessment .*

V. FEES, COMMISSIONS AND NON-MONETARY BENEFITS

In connection with the provision of brokerage services, IPOPEMA Securities S.A. does not accept or provide any fees, commissions or non-monetary benefits, with the exception of:

- accepted from the Client or a person acting on his behalf or transferred to the Client or a person acting on his behalf (e.g. standard fees and commissions for the Brokerage House),
- necessary to provide services to the Client (e.g. custody costs, settlement and exchange fees, regulatory burdens, legal fees),
- other fees, commissions and non-monetary benefits than those mentioned above, provided that they are accepted or transferred in order to improve the quality of brokerage services provided by IPOPEMA Securities S.A. to clients.

From the scope of operation of the above-mentioned the regulations exclude benefits that are small gifts and polite gestures (gifts). In accordance with the procedure in force at the Brokerage House in this respect, subject to its other provisions, accepting gifts in business relations is allowed as long as it does not exceed the amount of EUR 250 at one time and EUR 500 in total during a given calendar year in the relationship with one client/person. Accepting or giving a gift whose value exceeds this limit requires the prior consent of the employee's superior and immediate notification to the Supervision Inspector.

IPOPEMA Securities S.A. may accept or transfer payments with the participation of a third party for activities related to brokerage services, in particular in the following cases.

The Brokerage House, as a distributor of participation units or investment certificates of investment funds, receives from investment fund companies managing these funds:

- remuneration corresponding to 100% of the handling fee charged for the sale of participation units or the fee for issuing investment certificates, constituting the remuneration of IPOPEMA Securities S.A. for the provision of brokerage services referred to in Art. 69 section 1 and 6 of the Trade Act. This remuneration is variable depending on the type of financial instrument and its issuer,
- in the case of investment certificates, the remuneration for providing the service of offering financial instruments is generally determined as a percentage of the investment fund company's remuneration for managing a given fund,
- in the case of participation units and in the case of investment certificates, the investment company may

receive remuneration reflecting the value of activities performed by IPOPEMA Securities S.A. for participants or potential participants of investment funds, aimed at improving the quality of services that are the subject of the distribution agreement/offering of financial instruments. but not more than the maximum value resulting from this agreement.

The Brokerage House may receive other non-monetary benefits from investment fund companies in order to improve the quality of brokerage services, including, for example, access to the transfer agent system enabling the acceptance and transmission of orders and instructions, training for employees of the Brokerage House and investment company agents acting on behalf of and on behalf of Brokerage House, teaching and training materials, etc. These benefits are covered by the funds of investment fund companies and do not result in an increase in fees charged to fund participants in connection with the purchase of units or investment certificates or participation in the fund.

Employees of the Brokerage House may be covered by additional promotional activities, e.g. competitions for accepting and transmitting orders covering participation units or investment certificates of funds or competitions for executing orders covering individual financial instruments offered by the Brokerage House.

In connection with the provision of the service of offering financial instruments and accepting subscriptions for financial instruments offered in a public or private offering, the Brokerage House receives or may receive remuneration from third parties, which is remuneration for the provision of the service of offering financial instruments. If the Brokerage House acts as an offeror, this is the remuneration received from the issuer or the entity selling financial instruments (seller). If a prospectus is prepared and published for the purposes of a given offering, information on the costs related to the offering, including the amount of remuneration for the issuer/seller's advisors, is included in the prospectus. If the Brokerage House participates in a distribution syndicate of financial instruments offered in a public offering, the remuneration for this is received from the investment company acting as the offeror or it constitutes a brokerage commission on completed orders based on subscriptions submitted as part of a given offer.

The customer may request detailed information about the nature and amount or method of determining the amount of fees, commissions or non-monetary benefits, or information whether any non-standard fees, commissions or non-monetary benefits are associated with a given service or product. IPOPEMA Securities S.A. is obliged to provide the Client with detailed information on this subject.

The Brokerage House has implemented appropriate procedures specifying its internal policy on accepting and transmitting incentives in order to avoid a situation in which the Brokerage House, when offering a brokerage product or service to the Client, puts its own interests ahead of the Client's interests.

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