

CLIENT CATEGORISATION POLICY OF TRIGON DOM MAKLEKRSKI S.A.

The Brokerage House has in place a Client categorisation policy whose aim is to ensure appropriate protection to various Client types and provide Clients with relevant information on investment products and services offered by the Brokerage House. This document is an element of a comprehensive system designed to protect the Client's best interests, explains the fundamental concepts of Client categorisation, and provides information on the Client's rights and obligations arising from the particular level of protection afforded to the Client. This Client Categorisation Policy was prepared in compliance with the Act and the Regulation.

Section 1 GENERAL

1. Prior to entering into a brokerage services agreement, the Brokerage House shall classify the Client into one of the following three categories:
 - 1) **Retail Clients** – offered the highest level of protection by the Brokerage House,
 - 2) **Professional Clients** – offered a lower level of protection by the Brokerage House than Retail Clients,
 - 3) **Eligible Counterparties** – offered the lowest level of protection by the Brokerage House.
2. The Client shall be assigned to a single category for all the services provided to the Client by the Brokerage House.
3. A description of each Client category is provided in **Section 2**.
4. Depending on the category assigned to the Client, the Brokerage House shall take relevant steps to ensure that the Client's best interest is effectively protected, which shall include providing specific information or documents to the Client, obtaining information on the Client's individual circumstances, applying appropriate procedures and policies to the Client, and fulfilling other obligations specified in generally applicable laws.
5. A description of the scope of protection offered and information provided to each Client category is contained in **Section 3**.
6. The category assigned to the Client shall apply to all services provided to the Client by the Brokerage House under the brokerage services agreement.
7. If the Client does not agree with the category assigned by the Brokerage House, the Client may file a written request to have the classification changed in accordance with **Sections 4–7**.

Section 2 CLIENT CATEGORIES

1. **Retail Client** shall be a Client that is not a Professional Client or an Eligible Counterparty.
2. **Professional Client** shall be a Client who has the experience and knowledge necessary to make relevant investment decisions and properly assess the associated risks, and is:
 - 1) a bank,
 - 2) an investment firm,
 - 3) an insurance company,
 - 4) an investment fund, alternative investment company, investment fund management company, or manager of an alternative investment company, within the meaning of the Act on Investment Funds and Management of Alternative Investment Funds of May 27th 2004,
 - 5) a pension fund or a pension fund management company, within the meaning of the Act on the Organisation and Operation of Pension Funds of August 28th 1997 (Dz.U. of 2013, item 989, 1289 and 1717),
 - 6) a commodity brokerage house,
 - 7) an entity that executes, as part of its business, transactions for its own account in futures or forward contracts, options or other derivatives, or transactions on money markets, for the sole purpose of hedging positions on those markets, or that acts for that purpose for the account of other participants of those markets, where responsibility for performing the obligations arising from such transactions rests with the clearing participants of those markets,
 - 8) a financial institution other than those specified in items 1–7,
 - 9) an institutional investor other than those specified in items 1–8 and conducting regulated activities on the financial market,
 - 10) an entity conducting activities equivalent to the business of the entities specified in items 1–9 outside of the Republic of Poland,
 - 11) a business entity that meets at least two of the following criteria, with the proviso that amounts in the euro are translated at the euro mid rate quoted by the National Bank of Poland:
 - a. its balance-sheet total is EUR 20,000,000 or more,
 - b. its revenue is EUR 40,000,000 or more,
 - c. its equity is EUR 2,000,000 or more,
 - 12) 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 organisation with similar functions,
 - 13) other institutional investor whose principal activity is to invest in financial instruments, including an entity dedicated to the securitisation of assets or other financing transactions, or
 - 14) an entity other than those specified in items 1–13, which is classified by the Brokerage House as Professional Client at its own request, in accordance with the Act.
3. The equivalent of the amounts specified in Section 2.11 and expressed in the euro shall be calculated using the euro mid exchange rate quoted by the National Bank of Poland for the date of the business entity's financial statements.
4. **Eligible Counterparty** shall be a Professional Client with which the Brokerage House executes, or intermediates in the execution of, transactions when providing order execution services, order reception and transmission services, or buying or selling financial instruments for own account.
- 5.

Section 3 SCOPE OF INFORMATION PROVIDED AND PROTECTION AFFORDED TO EACH CLIENT CATEGORY

1. In order to ensure adequate protection of Clients during investing activities, before the execution of a brokerage services agreement, the Brokerage House shall provide the Client of each category with a range of information in such form and with such scope as required by the Act and the

Regulation.

2. The table below provides details of the information received by the Clients from Trigon Dom Maklerski S.A. depending on the Client category and the protection offered:

		RETAIL CLIENT	PROFESSIONAL CLIENT	ELIGIBLE COUNTERPARTY
1	RECEIVES INFORMATION ON THE CLIENT CATEGORISATION POLICY OF TRIGON DOM MAKLEKRSKI S.A.	YES	YES	YES
2	RECEIVES INFORMATION ON THE CONFLICT OF INTEREST MANAGEMENT POLICY OF TRIGON DOM MAKLEKRSKI S.A.	YES	YES	YES
3	RECEIVES NOTIFICATION OF THE OCCURRENCE OF A CONFLICT OF INTEREST	YES	YES	YES
4	RECEIVES INFORMATION ON COSTS AND CHARGES ASSOCIATED WITH BROKERAGE SERVICES AND FINANCIAL INSTRUMENTS: - INFORMATION PROVIDED BEFORE AGREEMENT EXECUTION (EX ANTE), - ANNUAL STATEMENT (EX POST), INCLUDING AN ILLUSTRATION OF THE CUMULATIVE EFFECT OF THE COSTS AND FEES ON THE RETURN ON INVESTMENT	YES	YES*	YES*
5	RECEIVES ANNUAL STATEMENT OF INCENTIVES RECEIVED	YES	YES	YES
6	RECEIVES INFORMATION ON THE SCOPE OF INFORMATION PROVIDED AND PROTECTION AFFORDED TO EACH CLIENT CATEGORY, AND ON THE COSTS AND CHARGES	YES	YES	NO
7	RECEIVES ESSENTIAL ORDER EXECUTION INFORMATION AND NOTICE CONFIRMING ORDER EXECUTION	YES	YES	YES*
8	RECEIVES, ON REQUEST, INFORMATION ON ORDER EXECUTION STATUS	YES	YES	YES*
9	RECEIVES NOTIFICATION WHEN THE INITIAL VALUE OF AN INSTRUMENT DEPRECIATES BY 10% AND THEREAFTER AT MULTIPLES OF 10% – IN THE CASE OF AN ACCOUNT THAT INCLUDES POSITIONS IN LEVERAGED FINANCIAL INSTRUMENTS OR CONTINGENT LIABILITY TRANSACTIONS	YES	NO	NO
10	RECEIVES INFORMATION INCLUDING A STATEMENT OF ASSETS HELD OR REGISTERED FOR THE CLIENT – IN THE CASE OF SERVICES INVOLVING HOLDING AND REGISTRATION OF FINANCIAL INSTRUMENTS OR KEEPING OF CASH ACCOUNTS	YES	YES	NO
11	RECEIVES, ON REQUEST, INFORMATION ON HOW THE BROKERAGE HOUSE HAS DELIVERED BEST EXECUTION IN CONNECTION WITH A PARTICULAR TRANSACTION	YES	YES	NO
12	RECEIVES A GENERAL DESCRIPTION OF THE NATURE AND RISKS OF FINANCIAL INSTRUMENTS	YES	YES	NO
13	RECEIVES INFORMATION ON ORDER EXECUTION POLICY AND BEST EXECUTION POLICY	YES	YES	NO
14	RECEIVES INFORMATION ON FEES, COMMISSIONS OR NON-CASH BENEFITS RECEIVED OR PAID BY TRIGON DOM MAKLEKRSKI S.A. IN CONNECTION WITH BROKERAGE SERVICES PROVIDED	YES	YES	NO
15	RECEIVES INFORMATION ON STATEMENTS OF ASSETS HELD OR REGISTERED FOR THE CLIENT	YES	YES	NO
16	RECEIVES INFORMATION ABOUT CONFIRMATION OF TRANSACTIONS	YES	YES	NO
17	RECEIVES INFORMATION ON TRIGON DOM MAKLEKRSKI S.A. AND SERVICES PROVIDED TO CLIENTS UNDER AGREEMENTS WITH TRIGON DOM MAKLEKRSKI S.A. AS WELL AS THE PLACE WHERE THE PROSPECTUS IS AVAILABLE DURING AN ONGOING PUBLIC OFFERING	YES	YES	NO
18	RECEIVES SUITABILITY ASSESSMENT QUESTIONNAIRE FOR FINANCIAL INSTRUMENTS AND BROKERAGE SERVICES	YES	NO	NO
19	RECEIVES THE RULES GOVERNING PROVISION OF SERVICES INVOLVING EXECUTION OF ORDERS TO BUY OR SELL FINANCIAL INSTRUMENTS AND ANCILLARY SERVICES	YES	NO	NO

*The scope of the obligation may be limited where so agreed with the Client on a case-by-case basis.

3. When entering into an agreement for order execution or for receiving and transmitting orders, the Brokerage House may choose not to provide the Client with the suitability assessment questionnaire referred to in item 9 in the table above and not to investigate the Client's individual circumstances if all of the following conditions are met:

- 1) the orders placed by the Client involve only non-complex financial instruments,
- 2) the agreement is concluded on the Client's or prospective Client's initiative,
- 3) The Client or prospective Client has been warned by the Brokerage House that execution of the agreement does not involve the obligation referred to in Section 15 of the Regulation, and that the Client will not be afforded the protection that results from the discharge by Trigon Dom Maklerski of the obligation referred to in Section 15 of the Regulation.
- 4) The Brokerage House shall satisfy the requirements relating to prevention of conflicts of interest.

Section 4

CHANGE OF CLIENT CATEGORISATION

1. In accordance with the Act and the Regulation, the Client may request a change of the category assigned by the Brokerage House prior to entering into the brokerage services agreement.

2. The Client may request:

- 1) to be re-classified to a category providing a lower level of protection than the category assigned to the Client by the Brokerage House, or
- 2) to be re-classified to a category providing a higher level of protection than the category assigned to the Client by the Brokerage House.

3. The Client may repeatedly submit the recategorisation requests referred to in Section 4.2 in the course of performance of the brokerage services agreement.

4. Detailed rules of Client re-classification are set out in **Sections 5 to 7**.

Section 5

RE-CLASSIFICATION TO A CATEGORY PROVIDING A HIGHER LEVEL OF PROTECTION

1. Professional Client

- 1) A Professional Client that does not agree with the category assigned by the Brokerage House may file a written request to be re-classified as a Retail Client.
- 2) If the Brokerage House decides to comply with the Professional Client's request to be treated as a Retail Client, the Brokerage House shall change the Client's category with respect to all financial instruments offered and brokerage services provided to the Client and shall apply to the Client the generally applicable laws governing treatment of Retail Clients by investment firms.
- 3) The Brokerage House may, on its own initiative, treat a Professional Client as a Retail Client if, according to the information held by the Brokerage House, the Client has ceased to meet the criteria for being classified as a Professional Client.
- 4) The Brokerage House shall notify the Client of such re-classification.

2. Eligible Counterparty

- 1) An Eligible Counterparty that does not agree with the category assigned by the Brokerage House may file a written request to be re-classified as a Professional Client or Retail Client.
- 2) If the Brokerage House decides to comply with the Eligible Counterparty's request to be treated as a Retail Client or Professional Client, the Brokerage House shall apply to that Client the provisions of the Regulation governing treatment of retail or professional clients (as the case may

- be) by investment firms.
- 3) By complying with such request, the Brokerage House shall agree to treat the Eligible Counterparty as a Professional Client unless the Eligible Counterparty has expressly requested treatment as a Retail Client.
 - 4) If the Brokerage House complies with an Eligible Counterparty's request to be treated as a Professional Client or Retail Client, the Brokerage House shall change the Client's category with respect to all financial instruments offered and brokerage services provided to the Client.
 - 5) The Brokerage House may, on its own initiative, treat an Eligible Counterparty as a Retail Client or Professional Client, in which case the Brokerage House shall apply to that Client the generally applicable laws governing treatment of retail or professional clients (as the case may be) by investment firms.
 - 6) The Brokerage House shall notify the Client of such re-classification.
3. Where a Professional Client or an Eligible Counterparty has requested to be re-classified to a category providing a higher level of protection, the Brokerage House, prior to complying with the request, may decide to refuse to provide to the Client any services designed exclusively for Clients afforded a low level of protection.

Section 6

RE-CLASSIFICATION TO A CATEGORY PROVIDING A LOWER LEVEL OF PROTECTION

1. Retail Client

- 1) A Retail Client that does not agree with the category assigned by the Brokerage House may file a written request to be re-classified as a Professional Client.
- 2) When submitting a written recategorisation request, the Client should also submit a declaration that the Client meets the criteria set out in **Section 6.1.4**.
- 3) Notwithstanding the declaration submitted pursuant to **Section 6.1.2**, the Brokerage House may require the Client to present evidence that the Client meets the criteria set out in **Section 6.1.4**.
- 4) The Brokerage House may treat a Client as a Professional Client on condition that the Client has the experience and knowledge necessary to make relevant investment decisions and assess the risks inherent in such decisions, and this condition shall be deemed to be met if the Client satisfies at least two of the following criteria:
 - a) the Client carried out transactions with a value equal to exceeding the zloty equivalent of EUR 50,000 each on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
 - b) the size of the Client's financial instruments portfolio, including any cash deposits being a part of the portfolio, exceeds EUR 500,000;
 - c) the Client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services that are to be provided to the Client under the agreement.
- 5) The EUR-denominated amounts referred to in **Section 6.1.4** shall be translated into the zloty at the mid exchange rate quoted by the National Bank of Poland for the day preceding the date when the Retail Client submits a written request to be re-classified as a Professional Client.
- 6) Any changes of circumstances relied on when deciding on whether the criteria specified in Section 6.1.4. are met shall not lead to a change of the Client's categorisation as a Professional Client.
- 7) Prior to complying with a Retail Client's request to be re-classified as a Professional Client, the Brokerage House shall inform the requesting Client of the treatment of Professional Clients during provision of brokerage services.
- 8) The Brokerage House shall comply with a Retail Client's request for re-classification as a Professional Client on condition that the Client has submitted a written declaration that they have read and understand the rules of treatment of Professional Clients by the Brokerage House and the consequences of such treatment.
- 9) The Brokerage may refuse to re-classify a Client to a category providing a lower level of protection.
- 10) If a Retail Client's request to be treated as a Professional Client is complied with, the Brokerage House shall change the Client's categorisation with respect to all financial instruments offered and brokerage services provided to the Client and shall apply to the Client the generally applicable laws governing treatment of Professional Clients by investment firms.
- 11) The Brokerage House shall notify the Client of such re-classification.
- 12) The Client shall immediately notify the Brokerage House of any circumstances that affect or may affect the possibility of treating them as a Professional Client.

Section 7

RE-CATEGORISATION REQUEST

1. The Client may submit a request for a change of the category assigned to them by the Brokerage House in person, at a Brokerage House's Branch, or by mail, to the Brokerage House's registered address.
2. Recategorisation request forms are available from the Brokerage House's Branches and from its website at www.trigon.pl/mifid.