

# Information sheet about TMS Brokers

## 1. COMPANY:

Dom Maklerski TMS Brokers Spółka Akcyjna with its registered office in Warsaw (hereinafter: “TMS Brokers”) entered in the Register of Entrepreneurs kept by the District Court for the Capital City of Warsaw, 12<sup>th</sup> Commercial Division of the National Court Register under number KRS 0000204776, Tax Identification Number (NIP): 526-27-59-131

## 2. DIRECT CONTACT:

Dom Maklerski TMS Brokers S.A.  
ul. Złota 59, 00-120 Warsaw, Skylight, 15<sup>th</sup> floor,  
telephone +48 22 27 66 200,  
e-mail: [dommaklerski@tms.pl](mailto:dommaklerski@tms.pl), website: [www.tms.pl](http://www.tms.pl),  
websites dedicated to non-Polish speaking Clients:  
- <https://www.tmsbrokers.com/>  
- <https://www.tmsbrokers.com/es>  
- <https://www.tmsbrokers.com/lv>  
- <https://www.tmsbrokers.com/lt>  
- <https://www.tmsbrokers.com/ru>

## 3. LANGUAGES OF COMMUNICATION OF TMS BROKERS

TMS Brokers Clients can communicate with TMS Brokers in the Polish. The information and documents provided to the Clients are prepared generally in Polish. Some documents are prepared also in English (in case of lack of English version of the document or discrepancies in TMS Brokers may designate a person to provide explanations regarding the services provided in the English, Lithuanian, Latvian, Spanish and Russian.

## 4. METHODS OF CLIENT COMMUNICATION WITH TMS BROKERS:

### The Client can contact TMS Brokers:

- a) in person at the Customer Service Point (POK) during the business hours of POK, located at the address specified in section 2,
- b) in person in other manner,
- c) by phone during TMS Brokers business hours at the following numbers: 22.27.66.200, 22.27.66.266.
- d) via electronic mail  
Customer Service Department – [dok@tms.pl](mailto:dok@tms.pl),  
Sales Department – [sales@tms.pl](mailto:sales@tms.pl),  
Foreign Sales Department – [contact@tmsbrokers.com](mailto:contact@tmsbrokers.com), [info@tmsbrokers.com](mailto:info@tmsbrokers.com), [verification@tmsbrokers.com](mailto:verification@tmsbrokers.com),  
Corporate Advisory Department – [ddk@tms.pl](mailto:ddk@tms.pl),  
Asset Management Department – [dza@tms.pl](mailto:dza@tms.pl)
- e) In the case of TMS Direct service, the Client can also contact TMS Brokers via chat available in the service variant TMS Direct Transaction System during TMS Brokers business hours — if a relevant agreement on the provision of services providing for opening and maintaining a cash account is signed and the Client satisfies requirements specified in such agreement, including in particular requirements regarding computer hardware and access to the Internet.

### Methods of transmitting orders to TMS Brokers:

- a) by phone during TMS Brokers business hours at the following numbers: 22 27 66 282, 22 27 66 266.

- b) in writing,
- c) electronically via the MetaTrader 5 Trading System (MT5) or the TMS Brokers Smart Trading App,
- d) electronically via the MetaTrader 4 Trading System (MT4).

Current telephone numbers are published on the TMS Brokers website ([www.tms.pl](http://www.tms.pl) and on websites dedicated to non-Polish-speaking Clients indicated in point 2 of this document).

In order to implement payments and withdrawals of Clients' funds related to the services provided, TMS Brokers provides numbers of bank accounts maintained by mBank S.A. Regional Branch in Warsaw for TMS Brokers:

***For TMS Trader service:***

- PLN account 17 1140 1010 0000 5284 3000 1001
- EUR account 87 1140 1010 0000 5284 3000 1002
- USD account 60 1140 1010 0000 5284 3000 1003

***For TMS Stocks service:***

- PLN account 14 1140 0039 0000 3212 4600 1095
- EUR account 57 1140 0039 0000 3212 4600 1097
- USD account 03 1140 0039 0000 3212 4600 1099

***For TMS Connect and TMS Prime services:***

- PLN account 24 1140 1010 0000 3212 4600 1047
- EUR account 67 1140 1010 0000 3212 4600 1049
- USD account 13 1140 1010 0000 3212 4600 1051

***For TMS Direct and TMS MiniDirect service:***

- PLN account 05 1140 1010 0000 3212 4600 1001
- EUR account 48 1140 1010 0000 3212 4600 1003
- USD account 75 1140 1010 0000 3212 4600 1002
- CHF account 21 1140 1010 0000 3212 4600 1004
- GBP account 91 1140 1010 0000 3212 4600 1005

***For TMS Markets service:***

- PLN account 24 1140 1010 0000 3212 4600 1047
  - EUR account 67 1140 1010 0000 3212 4600 1049
  - USD account 13 1140 1010 0000 3212 4600 1051
- Swift/bic: BREXPLPWWA4

The current account numbers are available on the TMS Brokers website: [www.tms.pl](http://www.tms.pl) (and on websites dedicated to non-Polish-speaking Clients indicated in point 2 of this document).

## **5. LICENSE AND SUPERVISION AUTHORITY:**

Licences to conduct brokerage activities were granted to TMS Brokers by the Securities and Exchange Commission (currently: Polish Financial Supervision Authority) number KPWiG-4021-54-1/2004 of 26 April 2004. Moreover, TMS Brokers also uses the notification mechanism for cross-border activities in some EEA countries.

Supervisory authority: Polish Financial Supervision Authority, ul. Piękna 20 1, 00-549 Warsaw, Poland  
phone: +22 262 50 00.

## **6. SCOPE OF SERVICES PROVIDED:**

TMS Brokers may provide to its Clients the following brokerage services:

- a) receiving and transmitting orders to buy or sell financial instruments;
- b) executing orders to buy or sell financial instruments for the account of the principal;
- c) safekeeping or recording financial instruments, including maintaining securities accounts and cash accounts;
- d) providing investment advice;
- e) managing portfolios containing one or more financial instruments;
- f) currency exchange if it is related to brokerage activities to the extent specified in art. 69 par. 2 of the Act,
- g) preparing investment research, financial analyses and other forms of general recommendations relating to transactions in financial instruments.

- h) granting cash loans in order to execute a transaction involving one or more financial instruments if the transaction is to be executed through an investment firm providing a loan.
- i) performing the above listed activities involving underlying instruments of derivatives, specified in Article 2 clause 1 items 2 d-f and i of the Act, if these activities are related to brokerage activities.

The up to date information on the scope of services provided is available on the TMS Brokers website ([www.tms.pl](http://www.tms.pl) and on websites dedicated to non-Polish-speaking Clients indicated in point 2 of this document).

The service of receiving and transmitting orders to buy or sell financial instruments may be provided by TMS Brokers only for:

- a) Clients who are natural persons whose citizenship and address of residence;
- b) Clients who are natural persons conducting business activity, whose citizenship, address of residence and address of the main place of business activity;
- c) Clients who are legal persons or organizational units without legal personality, whose registered office address; indicates countries from the following catalogue: Australia, Austria, Belgium, Canada, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, UK, USA.

## 7. KEY PRINCIPLES OF ASSET PROTECTION:

### Definitions:

- a) **Financial Instruments in a trading venue** shall mean financial instruments not admitted to trading on a trading system operating in the territory of the Republic of Poland, which are admitted to trading on a foreign regulated market or are admitted to trading in a trading venue operated in the territory of a non-member state financial instruments, operating in a permanent and organized manner in accordance with the rules of this country, as well as ensuring that when matching purchase or sale bids for these financial instruments, investors have equal and universal access to market information at the same time and that the same conditions for purchasing and selling these financial instruments, in particular stocks.
- b) **Financial Instruments other than Financial Instruments in a trading venue** shall mean Financial Instruments other than Financial Instruments in a trading venue.

Funds entrusted by TMS Brokers Clients in connection with the provision of brokerage services by TMS Brokers shall not be subject to attachment in the event of enforcement proceedings against TMS Brokers, in the case of declaration of bankruptcy, they will not constitute a part of the TMS Brokers bankruptcy estate.

Funds deposited in the Client's Cash Account shall not, as a rule, earn interest. The benefits obtained from the funds deposited in the Client's Cash Account constitute the remuneration of TMS Brokers for keeping the Client's Cash Account and are intended to cover operating costs related to the registration of financial instruments. Any terms of interest on funds are included in the Table of Fees and Commissions or shall be determined on an individual basis in accordance with generally applicable laws.

The terms and conditions of any securities or pledges that are or may be established on Client's financial instruments or funds in favor of TMS Brokers, as well as information about any rights to compensation set out by TMS Brokers in relation to such financial instruments or funds of the Client are set out in the Regulations, as specified in point 8 below, suitable for a given service.

Financial instruments which are not Financial Instruments in a trading venue and cash are held by TMS Brokers on individual securities accounts maintained for individual Clients, separately from TMS Brokers own assets.

TMS Brokers participates in the compensation scheme operated by Krajowy Depozyt Papierów Wartościowych S.A. whose aim is to collect funds for payments up to the amount set out in the Act on Trading in Financial Instruments.

The compensation scheme ensures the protection of assets to investors specified in the Act by ensuring cash payments and compensating the value of lost financial instruments due to brokerage services provided to Clients in the scope of activities specified in point 6 letter a-e above, in the following cases:

- a) bankruptcy of the brokerage house is declared or restructuring proceedings are open,
- b) bankruptcy petition is validly dismissed due to the fact that assets of the brokerage house are insufficient to cover costs of proceedings or are only sufficient to cover costs of proceedings,
- c) the Polish Financial Supervision Authority decides that the brokerage house is not able, for reasons strictly related to the financial situation, to fulfil its obligations under investors' claims and it is not possible to fulfil them in the nearest future.

The compensation scheme secures the payment of Client's funds, reduced by the brokerage house's receivables from the Client for the services provided up to the PLN equivalent of EUR 3 000 — in 100% of the funds covered by the compensation scheme and 90% of the surplus over this amount, save that the upper limit of funds covered the compensation scheme is the PLN equivalent of EUR 22 000. The above amounts determine the maximum amount of the Clients' claims irrespective of the amount and number of accounts held, or the amount of receivables.

A detailed description of the principles of protection of Clients' assets guaranteed by the compensation scheme can be found in the Act and on the website [www.kdpw.pl](http://www.kdpw.pl).

Clients' funds deposited in separate bank accounts maintained for TMS Brokers are covered by the deposit guarantee system of the Bank Guarantee Fund ("BGF"). The maximum amount of funds that may be returned to one Client under the BGF guarantee in a given bank is the PLN equivalent of EUR 100 000, regardless of the amount and number of accounts the Client had cash in this bank or on the basis of how many debts he is entitled to receivables from this bank. The basis for calculating the amount due to the Client from the BGF is the sum of all amounts due from the Client to a given bank. The guarantee covers the funds of a given Client within the limits resulting from his share in the amount accumulated on the bank account kept for TMS Brokers.

Clients' receivables unpaid from the guarantee or compensation system constitute a claim against TMS Brokers.

Financial Instruments in a trading venue are kept on an omnibus account kept by a foreign custodian for TMS Brokers. The holder of the omnibus account is TMS Brokers, and the Client is an entity entitled to Financial Instruments in a trading venue registered on this account in the number specified by TMS Brokers. TMS Brokers, when selecting a depository that will be entrusted with keeping Clients' Financial Instruments in a trading venue, exercises due diligence, in particular taking into account:

- a) the possessed specialist knowledge and experience guaranteeing the security of the kept Financial Instruments in a trading venue;
- b) complying with all the requirements necessary to keep Financial Instruments in a trading venue, including in particular having the relevant permits or approvals required in accordance with the provisions of the law of the country where the Financial Instruments in a trading venue are to be kept;
- c) the opinion the depository has on the market where it provides services;
- d) the possibility of ensuring that TMS Brokers performs periodic control of activities related to the storage of the Client's Financial Instruments in a trading venue and the systems, devices and procedures used for this purpose.

The rules for maintaining omnibus accounts are governed by the law of the country in which the depository operates. For this reason, the Client's rights may be regulated in a different way than under Polish law, and an investment in Financial Instruments in a trading venue involves additional risks, in particular the risk of bankruptcy or liquidation of the depository.

As a rule, the Financial Instruments in a trading venue are kept separate from the instruments of TMS Brokers and the depository. If, due to the relevant legal regulations in force in the country of the custodian's seat, it is not possible to store Client's Financial Instruments in a trading venue separately from the instruments of TMS Brokers and the depository, TMS Brokers shall immediately notify the Client thereof and obtain his consent to such entrustment.

The depository may transfer the Financial Instruments in a trading venue for safekeeping to a third party. Due to the storage of Financial Instruments in a trading venue with the participation of a depository or third parties, TMS Brokers identifies in particular the following risks:

- a) in the event of the bankruptcy of the depositary or a third party, the Financial Instruments in a trading venue may not be excluded from the bankruptcy estate and therefore may not be protected against the bankrupt's creditors,
- b) in the event of bankruptcy of the depositary or a third party, the law of the country in which the bankrupt provides services may provide for limits on the value of funds guaranteed to TMS Brokers Clients,
- c) the risk of non-continuity of the operation of the depositary or third party.

## 8. TERMS OF THE PROVISION OF SERVICES:

Detailed terms of the provision of brokerage services by TMS Brokers are defined by following documents:

### For the order execution service:

- **TMS Trader, TMS Connect, TMS Prime:**

- a) Terms and conditions of the provision of services consisting in the execution of orders to buy or sell financial instruments and of keeping accounts and registers related to such trading by Dom Maklerski TMS Brokers S.A. – TMS TRADER,
- b) Terms and conditions of the provision of services consisting in the execution of orders to buy or sell financial instruments and of keeping accounts and registers related to such trading by Dom Maklerski TMS Brokers S.A. – TMS CONNECT,
- c) Terms of use governing the provision of services for the execution of orders by Dom Maklerski TMS Brokers S.A. in the MT4 transaction system, maintenance of cash accounts and registers, and foreign exchange,
- d) Terms of use governing the provision of services for the execution of orders by Dom Maklerski TMS Brokers S.A. in the MT5 transaction system, maintenance of cash accounts and registers, and foreign exchange,
- e) Framework Agreement,
- f) Customer Data Sheet,
- g) Description of financial instruments and risks,
- h) Best execution policy in Dom Maklerski TMS Brokers S.A.,
- i) Table of Fees and Commissions appropriate for TMS Trader,
- j) Financial Instruments Specification appropriate for TMS Trader,
- k) Resolutions of the President of the Management Board of TMS Brokers.
- l) Key Information Document,
- m) Rollover Table,
- n) Table of Swap Points,
- o) Regulations for managing conflicts of interest in Dom Maklerski TMS Brokers S.A.,
- p) this Information Sheet about TMS Brokers with attachments.

As regards the service variant of TMS Connect, TMS Prime and TMS Trader, TMS Brokers offers the Client, in order to conclude transactions, direct access to the MetaTrader 5 Transaction System.

Above service variants are available via a web browser, the mobile version of the TMS Brokers Smart Trading App and the installation version.

Detailed information on individual functionalities is provided in the Specification of Financial Instruments appropriate for a given service variant.

- **TMS Markets:**

- a) Terms of use governing the provision of services by Dom Maklerski TMS Brokers S.A. for carrying out orders outside the organized market (on the OTC market) in the field of contracts for differences (CFDs) and keeping accounts and registers related to the services of execution by Dom Maklerski TMS Brokers S.A. such orders on the OTC market,
- b) Agreement,
- c) Best execution policy in Dom Maklerski TMS Brokers S.A.,

- d) Description of financial instruments and risks,
- e) Specification of Financial Instruments for TMS Markets,
- f) OTC Margin Table,
- g) Swap Points Table,
- h) Table of Fees and Commissions appropriate for TMS Markets,
- i) Information card about TMS Brokers,
- j) Rollover Table,
- k) Key Information Document,
- l) Regulations on managing conflicts of interest at Dom Maklerski TMS Brokers S.A.,
- m) Resolutions of the President of the Management Board of TMS Brokers.,
- n) this Information Sheet about TMS Brokers with attachments.

With regard to the abovementioned service TMS Brokers offers to the Client a direct access to the MetaTrader 4 Trading System for the purpose of concluding transactions.

The TMS Markets service variant is available via a web browser, a mobile version of the application and the installation version.

Detailed information on individual functionalities is provided in the Specification of Financial Instruments.

- **TMS Direct and TMS MiniDirect:**

- a) Terms and conditions of the provision of services consisting in the execution of orders by Dom Maklerski TMS S.A. in the TMS Direct transaction systems, keeping cash accounts and registers and currency exchange,
- b) Terms and conditions of the provision of services consisting in the execution of orders by Dom Maklerski TMS S.A. in the TMS MiniDirect transaction systems, keeping cash accounts and registers and currency exchange,
- c) Terms and conditions of the provision of services of executing orders to purchase or sell financial instruments, keep accounts and registers related to this trade and currency exchange - TMS Direct,
- d) Terms and conditions of the provision of services of executing orders to purchase or sell financial instruments, keep accounts and registers related to this trade and currency exchange - TMS MiniDirect,
- e) Framework Agreement,
- f) Customer Data Sheet,
- g) Description of financial instruments and risks,
- h) Best execution policy in Dom Maklerski TMS Brokers S.A.,
- i) Table of Fees and Commissions TMS Direct/TMS MiniDirect,
- j) Financial Instruments Specification S1 and TMS MiniDirect,
- k) Resolutions of the President of the Management Board of TMS Brokers,
- l) Key product information,
- m) Regulations for managing conflicts of interest in Dom Maklerski TMS Brokers S.A.,
- n) this Information Sheet about TMS Brokers with attachments.

In the scope of the above TMS Brokers offers Clients the possibility of concluding transactions through the installation version of the system - TMS Direct PRO, after installing it on the Client's computer. Additionally, the Client may access the TMS Direct Transaction System via the website <https://direct.tms.pl> (browser version of the transaction system). Logging in to the transaction system via the website enables the Client to access the Transaction System in order to conclude transactions on their own via the Internet and personal computer equipment or a mobile device, without the need to install software on the Client's computer. TMS Brokers provides the TMS Direct and TMS MiniDirect services via the Transaction System available in the browser version, on the terms and in accordance with the principles set out in the Terms and conditions of the provision of services. TMS Brokers may limit the possibility of concluding transactions on financial instruments operated by the Transaction System available via the website. TMS MiniDirect Clients can use the browser version of the TMS Direct transaction system only after signing a relevant annex in this matter. TMS Brokers will inform the Client about any restrictions in the use of individual access channels to the Transaction System and the scope of concluding transactions on financial instruments via the website [www.tms.pl](http://www.tms.pl), e-mail or the application in the Transaction System.

### **For the service of accepting and transmitting orders:**

- **TMS Stocks:**

- a) Terms and Conditions of the provision of services for the reception and transmission of orders to buy or sell financial instruments by Dom Maklerski TMS Brokers S.A. keeping of cash accounts and registers, and foreign exchange,
- b) Framework Agreement,
- c) Customer Data Sheet,
- d) Description of financial instruments and risks,
- e) Operation policy of Dom Maklerski TMS Brokers S.A. in the best interest of the Client for the service of reception and transmission of orders,
- f) Table of Fees and Commissions applicable to the TMS Stocks service variant,
- g) List of Financial Instruments TMS Stocks,
- h) Resolutions of the President of the Management Board of TMS Brokers,
- i) Regulations for managing conflicts of interest in Dom Maklerski TMS Brokers S.A.,
- j) this Information Sheet about TMS Brokers with attachments.

List of recommended web browsers for all of the above service variants (TMS Trader, TMS Connect, TMS Prime, TMS Direct, TMS MiniDirect, TMS Stocks):

- a) Google Chrome v85 +
- b) Firefox v80 +
- c) Microsoft Edge v85 +
- d) Safari v14 +

### **For investment advice service:**

- a) Regulations for advisory services in the field of financial instruments by Dom Maklerski TMS Brokers S.A.,
- b) Agreement for the provision of consultancy services in the field of financial instruments by Dom Maklerski TMS Brokers S.A.,
- c) Client Data Card,
- d) Characteristics of financial instruments and description of risks,
- e) Regulations for managing conflicts of interest in the Dom Maklerski TMS Brokers S.A
- f) Resolution of the President of the Management Board of TMS Brokers.,
- g) this Information Sheet about TMS Brokers with attachments.

### **For preparation of recommendations of a general nature::**

- a) Regulations for preparing recommendations of a general nature by Dom Maklerski TMS Brokers S.A.,
- b) this Information Sheet about TMS Brokers with attachments.

### **For the service consisting in the Management of portfolios containing one or more financial instruments:**

- a) Asset management agreement with attachments,
- b) Regulations for the provision of Asset management by Dom Maklerski TMS Brokers S.A. with attachments,
- c) Power of attorney to perform activities related to the Asset Management granted to TMS Brokers by the Customer; constituting Appendix 2 to the Asset management agreement,
- d) Declaration of the Investment Strategy constituting Appendix 3 to Asset management agreement,
- e) List of Investment Strategies constituting Appendix 1 to the Regulations on the provision of asset management by Dom Maklerski TMS Brokers S.A,
- f) Table of Fees and Commissions constituting Appendix No. 2 to the Regulations on the provision of asset management by Dom Maklerski TMS Brokers S.A,
- g) The operating policy of TMS Brokers S.A. in the best interest of the client,
- h) The operating policy of TMS Brokers S.A. within the scope of applying corporate supervision measures,



- i) Procedure for opening invoices in the name of the clients of the asset management in third parties,
- j) Client Data Card,
- k) Characteristics of financial instruments and risk description,
- l) Ex-ante information on costs and fees related to the provision of brokerage services,
- m) Regulations for managing conflicts of interest in Dom Maklerski TMS Brokers S.A.,
- n) Resolutions of the President of the Management Board of TMS Brokers,
- o) this Information Sheet about TMS Brokers with attachments.

List of Investment Strategies referred to in point e) above, includes in particular: information on the types of financial instruments that may be included in the Client's Asset, and types of transactions that may be carried out using such instruments, including any limits, an indication of any reference values against which the Client's portfolio performance will be compared, management objectives, level of risk related to the discretionary nature of executive management decisions and any specific restrictions on the freedom to take such decisions.

The value of the portfolio as part of a Asset Management service is measured at the end of each business day at 17:00:00 ET (EST), starting from the date of transferring assets to the investment account on the terms specified in regulations of the service. The value of the Asset is valued in accordance with the applicable securities valuation rules, at market value, subject to the principles set out in § 14 - 15 of the service provision regulations (<https://www.tms.pl/dokumenty>; for non-Polish speaking Clients - <https://www.tmsbrokers.com/documents>) and taking into account the principle of prudent valuation.

TMS Brokers does not transfer management of part or all of the portfolio as part of the provision of asset management services to third parties.

For Retail Clients residing in the territory of the Kingdom of Spain, the provisions of CNMV Circular No. 1/2018 dated on 12 March, 2018 apply. TMS Brokers informs suchs clients about the risks associated with investments in financial instruments and receives a handwritten statement of awereness of the above risk, in accordance with the model statement included in the above CNMV Circular.

## 9. BUNDLING

TMS Brokers provides selected brokerage services as part of bundling. Combined sale is understood as the provision of brokerage services by TMS Brokers referred to in Art. 69 sec. 2 of the Act on the basis of one Framework Agreement or a situation in which the conclusion of a given brokerage service agreement is a condition for concluding another brokerage service agreement or the conclusion of a brokerage service agreement is a condition for concluding a brokerage service agreement, with at least one of these services may not be provided by TMS Brokers under a separate agreement.

The provision of services by TMS Brokers to Client as part of bundling does not affect the level of risk in comparison with the risks that arise from individual services that may be provided on the basis of separate agreements. The main risks related to investing in individual financial instruments are included in the document "Characteristics of financial instruments and description of risks".

The provision of services by TMS Brokers to the Client as part of bundling does not affect the amount of costs and fees related to the conclusion, performance or termination of the Framework Agreement, compared to the costs and fees that result from individual services that may be provided on the basis of separate agreements.

The service of receiving and transmitting orders to buy or sell financial instruments and the service of executing orders to buy or sell financial instruments is provided as bundling.

Termination of the Framework Agreement concluded under the bundling does not involve additional costs and fees incurred by the Client with cessation of the performance of the agreement for the provision of another service.

TMS Brokers does not take any actions that exclude, hinder or force the Client to choose the agreement under which the brokerage service will be provided.

## 10. INFORMATION ON COSTS AND FEES:

The costs and fees incurred by the Client in connection with the brokerage service provided by TMS Brokers are presented in the contractual documentation, including in particular the Table of Fees and Commissions applicable to the given service. The Table of Commissions and Fees is determined by the Resolution of the President of the Management Board of TMS Brokers and communicated to the Client before the conclusion of the framework agreement. The current



version of the Table of Commissions and Fees is available on the website: [www.tms.pl/dokumenty](http://www.tms.pl/dokumenty) (for non-Polish speaking Clients - <https://www.tmsbrokers.com/documents>) and at the TMS Brokers Customer Service Point.

The costs of fees and commissions for investment advice services are included in the agreement concluded between the Customer and TMS Brokers.

## **11. INFORMATION ON CLIENTS' TAX OBLIGATIONS:**

Dom Maklerski TMS Brokers S.A. does not provide tax consultancy services. The presented information on the taxation of income related to the possession and trading in financial instruments should be treated as general guidance only, not constituting legal or tax advice. The only reliable source of tax regulations is the Personal Income Tax Act (hereinafter: PITA).

As from 1 January 2004 capital gains are subject to taxation pursuant to the PITA. Capital gains are subject to 19% tax rate.

Income tax is charged on income gained from the transfer for valuable consideration of securities or derivative financial instruments and from the exercise of rights arising therefrom as well as from the transfer for valuable consideration of shares in companies with legal personality, gained in the territory of the Republic of Poland, on the terms specified in Article 30b. of the PITA. The tax calculation takes into account tax deductible costs. The tax is calculated and paid by the taxpayer. Income referred to in Article 30b clause 1 of the PITA is not combined with income taxed on general principles (including income from the employment relationship) and obtained from business activity (Article 30b clause 5 in conjunction with Article 27 and Article 30c of the PITA).

By the end of February of each calendar year, Dom Maklerski TMS Brokers S.A. will send to the Client and to the Tax Office competent for the place of residence of the Client, the information on the income obtained for the previous calendar year. The information will be included in the PIT 8C form. The PIT 8C form is an information form.

The obligation to submit a separate tax return (PIT38) and to pay the tax rests with the Client.

The taxpayer must submit the PIT 38 tax return by 30 April of the year following the tax year at the tax office competent for its place of residence.

Pursuant to Article 30b clause 1 of the PITA, income gained from the transfer for valuable consideration of securities or derivative financial instruments and from the exercise of rights arising therefrom as well as from the transfer for valuable consideration of shares in companies with legal personality and from subscription of shares (stocks) in companies with legal personality or contributions in cooperatives in return for a contribution in kind in the form other than the enterprise or its organised part, is taxed with the income tax of 19% of income earned.

Information on certain types of income: Financial instruments acquired before 1 January 2004 — profit earned from the sale of financial instruments purchased by the Investor before 1 January 2004 in the manner specified in Article 52 of the PITA is not subject to taxation. Profit earned from interest is reduced by 19% tax. Profit from interest is not reported in the annual tax return.

The Client who is registered as a taxpayer in a country other than the Republic of Poland is obliged check the tax regulations applicable in a given jurisdiction.

The Client should seek advice from a tax adviser, legal advisor or other person authorized to provide tax advice in order to obtain detailed information on the taxation of investment returns in individual financial instruments.

## **12. BASIC PRINCIPLES OF CONSIDERING COMPLAINTS:**

1. The customer or potential customer may file a complaint regarding the act or omission of TMS Brokers. The complaint should be understood as any occurrence addressed to TMS Brokers by the customer or potential customer, referring to reservations regarding brokerage services indicated in the catalog of Article 69 paragraph 2 or paragraph 4 of the Act, provided by TMS Brokers in the scope covered by the supervision of the Polish Financial Supervision Authority;
2. Customers complaints may be submitted in the following forms:

- 1) sending an e-mail to the address skargi@tms.pl (Complaints sent to another email address shall not be considered);
  - 2) sending a message via the complaint form available on the website www.tms.pl in the "Contact";
  - 3) in writing to the following address: Dom Maklerski TMS Brokers S.A. ul. Złota 59, 00-120 Warsaw;
  - 4) personally during working hours of TMS Brokers at Dom Maklerski TMS Brokers S.A. ul. Złota 59, 00-120 Warszawa, in writing or orally for the record;
  - 5) by phone during TMS Brokers working hours at +48.22.27.66.282, +48.22.27.66.266 for the record.
3. TMS Brokers accept complaints from both customers and the people who represent customer (e.g. customer's Attorney). The response to the complaint is sent to the customer.
4. The complaint should:
- 1) be filed immediately after being informed of the circumstances giving rise to concern, in order to enable the complaint to be dealt with fairly;
  - 2) include:
    - a) name and surname or company name of the Account owner;
    - b) name and surname of the person submitting the complaint;
    - c) number of Cash Account in TMS Brokers of the person submitting the complaint (if exist) or Client Number;
    - d) for the Orders and Transactions - the number of the Order and Transaction;
    - e) in the case of execution of a deposit or withdrawal - the date and amount or number of disposition of the deposit or withdrawal request;
    - f) a description of the events, including a description of what the customer considers to have been carried out in breach of its instructions, agreement or regulations of the service;
    - g) customer statement of how he wants to obtain an expected response to a complaint; Response to a complaint can be delivered by email only at the customer's request;
  - 3) describe the subject of the complaint in detail (indicate, inter alia, whether the complaint concerns the opening of the Position, closing of the Position, non-performance of the Order, the Order execution price);
  - 4) describe the time covered by the complaint and the circumstances justifying the complaint;
  - 5) include a clear definition of customer expectations regarding the way customer's complaint should be handled; for the purpose of determining the moment when the customer could obtain information about the occurrence of circumstances which are the subject of the complaint, the moment of the first logging after the occurrence of the event for which customer submits a complaint is considered.
5. Response to a complaint can be delivered by email only at the customer's request.
6. Customer have a right of appeal from TMS Brokers decision. For appeal, the same procedure and deadlines apply as for complaint. Customer's appeal is considered by a person other than the person who dealt with the complaint. If a negative decision is maintained as a result of an appeal lodged by customer, TMS Brokers reserves the right not to consider customer's further appeals, unless customer disclose new facts that will give rise to a change in the current position of TMS Brokers.
7. If the claims resulting from the complaint are not accepted:
- 1) customers have the right to appeal, which you are entitled in the same procedure and deadlines apply as for complaint, additionally specifying the data identifying the complaint you are appealing against;
  - 2) customers have the right to request the Financial Ombudsman to examine the matter (if customers are individuals);
  - 3) customers have also the right to bring an action before a common court against TMS Brokers. The court having jurisdiction to hear the case shall be common court having jurisdiction over the seat of Dom Maklerski TMS Brokers S.A. or over the place of executing the agreement.
8. The detailed procedure for filing complaints has been specified in the regulations for the provision of a given service, located on the TMS Brokers website: <https://www.tms.pl/dokumenty> (for non-Polish speaking Clients - <https://www.tmsbrokers.com/documents>).

## 12A. COMMENTS AND RESERVATIONS

- 1) In the event of Client's comments and reservations regarding the services provided by TMS Brokers, the Client shall immediately notify the same to TMS Brokers.
- 2) Comments and reservations may be submitted during business hours of TMS Brokers in the oral form, by telephone, in writing or using electronic means of communication.

- 3) TMS Brokers shall make every effort to provide explanations to comments and reservations submitted by the Client within 30 days of a receipt thereof.
- 4) The explanations referred to above shall be sent to the Client the form in which they were submitted or in other form specified by the Client.
- 5) The provisions relating to complaints shall not apply to explanations of TMS Brokers concerning comments and reservations, referred to in point 12.

### 13. BASIC RULES TO BE FOLLOWED IN THE EVENT OF A CONFLICT OF INTEREST:

#### Definitions:

1. **Conflict of interests** - circumstances known to TMS Brokers that may lead to a conflict between the interest of TMS Brokers, the Person involved, the person directly or indirectly associated with TMS Brokers and the duty of acting by TMS Brokers in a reliable manner, taking into account the best interests of the Client, as well as the known circumstances that may lead to the creation of TMS Brokers. contradiction between the interests of several clients of TMS Brokers.
2. **Person involved** - in relation to TMS Brokers means any of the following:
  1. director, shareholder of TMS Brokers, a member of the executive staff of TMS Brokers, including a member of the Management Board of TMS Brokers, or agent TMS Brokers;
  2. a director, partner or equivalent, or a member of the management staff of the TMS Brokers agent;
  3. A worker who remains with TMS Brokers in an employment contract, order or other legal relationship of a similar nature or an employee of TMS Brokers, as well as any other natural person whose services are available and under the control of TMS Brokers or TMS Brokers and who participates in rendering services and performing brokerage activities of TMS Brokers;
  4. a natural person who is directly involved in the provision of services to TMS Brokers or TMS Brokers under the agreement referred to in Art. 81a paragraph 1 of the Act, in connection with the brokerage services provided by TMS Brokers.
3. **Contradiction between the interests of the two parties** - situation when the benefit of one of the parties is connected or may have an adverse effect on the interest of the other party.

#### The general nature and sources of Conflicts of interest

Conflicts of interest may relate to the relationship between:

1. the interest of TMS Brokers or the Person involved and the obligation of TMS Brokers to act in a reliable manner, taking into account the Client's best interest;
2. TMS Brokers or an Affected Person and the interest of the Client or Customers;
3. the interest of at least two Clients or the interest of the Clients group,
4. the interest of TMS Brokers and the interest of the Person involved in relation to TMS Brokers.

TMS Brokers informs that in the case of the order execution service for financial instruments, there is a conflict of interest between TMS Brokers and the Client as TMS Brokers performs orders by concluding a transaction with the Client on its own account. TMS Brokers has adopted and implements rules that prevent from executing its own transactions on privileged terms in relation to Client's orders.

TMS Brokers informs that organizational and administrative solutions established by TMS Brokers to prevent or manage this conflict are not sufficient to ensure with due certainty that the risk of harming the Client's interests will not occur.

In addition, TMS Brokers informs that in the case of a general recommendation service, there is a conflict of interest consisting in the issuance by TMS Brokers recommendation of a general nature, while TMS Brokers concluded transactions on the trading portfolio. TMS Brokers informs that organizational and administrative solutions established by TMS Brokers to prevent or manage this conflict are not sufficient to ensure with due certainty that the risk of harming the Client's interests will not occur.

## Conflicts of interest management

In the event of real or potential conflict of interest, TMS Brokers is obliged to comply with the principles of due and fair dealing with its Clients, treating both them and TMS Brokers employees with respect and honest.

TMS Brokers manages Conflicts of interest and prevents the occurrence of Conflicts of interest through appropriate organizational and administrative arrangements established by TMS Brokers to prevent or manage Conflicts of interest, in particular:

1. applying effective procedures preventing the exchange of information or controlling such exchange between Person involved in activities related to the risk of a Conflict of interest, where such exchange of information may harm the interests of one or several clients;
2. applying incentive regulations;
3. providing separate supervision over Person involved who, as part of their basic tasks, conduct activities on behalf of TMS Brokers or provide services to Clients whose interests may interfere or who otherwise represent different, potentially conflicting interests (including interests of TMS Brokers);
4. removing any direct dependencies between the amount of remuneration of the Person involved who perform mainly one type of activity, and the remuneration of other Person involved who perform mainly a different type of activity, or income generated by such other persons, when in connection with these two types of activity a Conflict of interest may arise;
5. eliminating or limiting the undesirable influence of any third parties on the manner in which brokers perform brokerage services;
6. eliminating or limiting simultaneous or consecutive cases of participation of the Person involved in the provision of brokerage services, when such participation may negatively affect the possibility of proper management of Conflicts of interest.

In order to effectively manage the Conflict of Interest, the following regulations apply to TMS Brokers:

1. Regulations of Conflicts of interest management at the Dom Maklerski TMS Brokers S.A.
2. Organizational Regulations of Dom Maklerski TMS Brokers S.A.
3. Regulations for counteracting and disclosing manipulation cases in Dom Maklerski TMS Brokers S.A.
4. Regulations for the protection of the flow of confidential and professional information in Dom Maklerski TMS Brokers S.A.
5. Regulations for investing in financial instruments by Persons involved or for their account;
6. Procedure No. 805 - Rules for the identification and disclosure of certain fees, commissions and non-cash benefits by Dom Maklerski TMS Brokers S.A.,
7. Procedure No. 902 - Rules for introducing new products/services and their modification in Dom Maklerski TMS Brokers S.A.

In the event that TMS Brokers finds Conflict of interest, other than directly indicated above, related to the provision of a given brokerage service to the Client being the subject of an agreement for the provision of brokerage services and regulations for a given service, organizational and administrative solutions used by TMS Brokers are not sufficient to ensure with due certainty, that the risk of harming the interests of clients does not occur:

1. TMS Brokers shall inform the Customer in writing or through another durable medium of information of a general nature or source of Conflicts of interest and steps taken to limit the risk, and the Client confirms that such information has been received from TMS Brokers,
2. TMS Brokers makes the signing of a contract with the Customer subject to confirmation by the Customer - in the form of a separate statement or directly by signing a contract for the provision of brokerage services - in the will to conclude a contract by the Customer despite the existence of a Conflict of Interest.

The above rules of conduct also apply if the Conflict of interest arises after concluding a contract for the provision of brokerage services with the Client. If after concluding the contract with the Client, the Conflict of interest between the Client and TMS Brokers cannot be prevented and TMS Brokers will not receive from the Client a statement on the continuation of the contract despite the existence of a Conflict of interest, TMS Brokers ceases from providing this service to the Client.

The full text of the "Regulations of Conflicts of interest management at the Dom Maklerski TMS Brokers S.A." is available at: <https://www.tms.pl/dokumenty> (for non-Polish speaking Clients - <https://www.tmsbrokers.com/documents>).

#### **14. CHARACTER, FREQUENCY AND DATES OF DELIVERY OF REPORTS ON THE PROVISION OF THE BROKERAGE SERVICE:**

The principles of delivery to the Clients of reports on the provision of the brokerage service (including notifications of the execution of transactions), specifying the character, frequency and dates of reports are set out in the Terms and Conditions, indicated in section 8 above, applicable to the particular service.

#### **15. SECURITY OF THE USE OF ELECTRONIC CHANNELS FOR THE PROVISION OF SERVICES.** Having regard to the security of the use of electronic channels for the provision of services, TMS Brokers informs that:

- Inadequate protection of data used for logging into electronic access channels may result in a transaction platform being used to place orders on the Client's account by an unauthorised person.
- Inadequate protection of a mobile phone may result in taking it over by a third party and placing transaction orders on the Client's account.
- Inadequate protection of the telephone password may result in the telephone being obtained by an unauthorised person and, as a consequence, may lead to placing orders and telephone instructions that are contrary to the Client's intention (placing a funds withdrawal order, submitting a transaction order).
- Inadequate protection of Internet terminals may result in obtaining by the undesired person the information on the balance of the Client's account, and in the extreme case — in a change of some Client's data.

In order to increase the security of the use of electronic access channels, the Client shall:

- Use anti-virus software and firewalls. Installation of this kind of software is absolutely necessary in each computer connected to the Internet. The basic version of this software protects against harmful applications. The Client may use paid as well as free anti-virus programmes. The automatic updates of the anti-virus programme shall be also enabled as they extend the signature database for viruses that can be identified by our system.
- Regularly update the software used. Updates are particularly important in the operating system (Windows, Linux), in anti-virus software, Internet browser and in Java, Adobe Reader and Flash Player. Vulnerabilities (errors) in these programmes are responsible for the majority of malware infections. Most of the abovementioned software has the ability to self-update automatically.
- Avoid using the pages with illegal software, music, movies or offensive content. These websites often contain malicious code, intentionally added in a currently popular title that may infect the Client's computer with malware.
- Not use too-simple passwords, often in many places at the same time. Not every website equally cares about the security of passwords. Data leakage from one of the websites may cause the password to become unusable and compromise other user accounts. Logins and passwords shall not be shared with other persons, saved in plain text on the computer or near the computer.
- Use a secure web browser. It is important that the browser be always up-to-date because it will be the browser that will be most often attacked by malicious software.
- The Client shall not install unnecessary software that is not needed for work. The Client shall periodically review the list of programmes installed on the computer and remove not used by the Client. When downloading software from the Internet, attention shall be paid to its source.
- Lock the screen and refrain from saving the password in the mobile application.
- Refrain from opening unknown attachments received electronically. A majority of malicious software uses vulnerabilities in Adobe Reader, Adobe Flash Player, Java. These vulnerabilities can be "attacked" by attachments sent by email. Therefore, before opening an attachment, the Client should consider whether the attachment must be opened and whether it comes from a person or entity known to the Client. It is very important to note the name or e-mail address of the sender, sometimes a deliberate typo in the name will lose the recipient's vigilance.
- Do not use portable devices (eg flash drives) of unknown origin - do not connect such devices to the device it uses to connect with transaction systems.

- Avoid logging into transaction platforms or NonStop zone using public WiFi. Using this type of networks involves the possibility of intercepting data transmission. Such a network enables an MITM (Man in the middle) attack which allows to intercept even certain encrypted transmissions. Therefore, the Client shall not use generally available networks to log into TMS Brokers transaction systems.
- Care for the physical security of IT resources as well as other equipment designed for the use of electronic services. In particular, care must be taken not to leave telephones, tablets or laptops unattended. A loss of mobile equipment on which the Client saves data for logging into electronic systems may result in an unauthorised person logging into all such applications. Physical security also applies to household members. Physical security also applies to the password and other data used for telephone verification of the Client's identity. The Client shall also control physical access to the paper documentation and devices on which applications used for the performance of services provided by TMS Brokers are installed.
- Before crediting an account kept with TMS Brokers, check that its number is correct. Account numbers used for servicing Clients and dedicated to individual services provided by TMS Brokers are specified in this document. In the event of any doubts, the Client can confirm the bank account number by contacting the Customer Service Department.
- When concluding the agreement and filling in data such as the account number for withdrawals, the Client shall check whether the number specified in the Client Information Sheet is correct. In this situation there is a risk that the web browser will substitute the number with a different bank account number.
- Pay attention to entities using the “phishing” method to obtain important data from clients such as login and password, or personal data. Phishing is a method of fraud where the perpetrator impersonates another person or institution in order to fraudulently obtain certain information or make the victim perform certain activities. It is a kind of attack based on social engineering. When providing services, TMS Broker does not request such data from the Client. If such a situation can occur incidentally, TMS Brokers asks for verification of the data to the narrowest extent possible. In such a case the Client is directed to a dedicated website that is properly secured. The Client shall always confirm such a fact by contacting the Customer Service Department.
- Refrain from logging into electronic systems from devices that are rented, borrowed or come from unverified sources.

## 16. CLIENT CATEGORIZATION

TMS Brokers classifies Client to one of the following categories: Retail (including Retail Experienced Client for brokerage service in the scope of contracts for difference), Professional or Eligible Counterparty. TMS Brokers shall be entitled to classify all Clients to the Retail Client Category. has the right to classify all Clients to the Retail Client category.

Detailed rules of classification are indicated in the Policy of Client Categorization in Dom Maklerski TMS Brokers S.A. available at <https://www.tms.pl/dokumenty> (for non-Polish speaking Clients - <https://www.tmsbrokers.com/documents>).

## 17. AGENT OF INVESTMENT COMPANY

TMS Brokers does not work through agents.

## 18. INDUCEMENTS

Detailed information on accepting and submitting inducements in Dom Maklerski TMS Brokers S.A. constitute attachment No. 1 to this Information sheet about TMS Brokers.

# Appendix number 1 to the Information sheet about TMS Brokers

## Information on accepting and submitting incentives at Dom Maklerski TMS Brokers S.A.

Dom Maklerski TMS Brokers S.A. (hereinafter: "**TMS Brokers**"), conducting brokerage activities operates in a reliable and professional manner, in accordance with the principles of fair trading and in accordance with the best interests of Clients. TMS Brokers does not accept or transfer any cash benefits, including fees and commissions, or any non-cash benefits in connection with the provision of a brokerage service to the Client, except for:

- 1) cash or non-cash benefits accepted from the Client or from a person acting on its behalf and cash or non-cash benefits provided to the Client or a person acting on his behalf;
- 2) cash or non-cash benefits accepted or provided to a third party, which are necessary for the performance of a given brokerage service for the benefit of the Client, in particular:
  - a) costs of storing the Client's financial instruments and funds entrusted by the Customer,
  - b) fees charged by the entity organizing the system of trading in financial instruments and fees for settlement and settlement of transactions,
  - c) fees to the supervisory body,
  - d) taxes, public and legal debts and other fees whose payment is required by law,
  - e) fees related to currency exchange;
- 3) cash benefits and non-cash benefits other than those specified in points 1 and 2, if:
  - a) they are accepted or transferred in order to improve the quality of the brokerage service provided by TMS Brokers to the Client,
  - b) their acceptance or transfer does not have an adverse effect on the operation of TMS Brokers in a reliable and professional manner, in accordance with the principles of fair trading and in accordance with the best interests of its client,
  - c) information on benefits, including their nature and amount, and if the amount of such benefits can not be estimated - on the manner of determining their amount, was provided to the client or potential customer in a reliable, accurate and understandable manner before commencing the provision of a given brokerage service, this condition is also deemed fulfilled in the case of providing information to the client or potential customer in a standardized form.

For the services provided, TMS Brokers charges fees and commissions from Customers in accordance with the relevant Table of Fees and Commissions or on the terms set out in the regulations governing the provision of a given brokerage service.

TMS Brokers may not accept fees, commissions and non-cash benefits other than those indicated in point. 1) - 3).

In the case of providing investment brokerage services in an independent manner or portfolio management services, which includes one or more financial instruments, TMS Brokers may not accept cash benefits or non-cash benefits from a third party in connection with the provision of this service.

The prohibition referred to above shall not apply to minor non-cash benefits accepted by TMS Brokers if:

- 1) these services may improve the quality of investment advisory services or management of financial instruments portfolios for the benefit of the Client;
- 2) the total size and nature of these benefits would not adversely affect the compliance of TMS Brokers with the duty to act in accordance with the best interests of the client;
- 3) information about benefits, including their nature and amount, and if the amount of such benefits can not be estimated - on how to determine their amount, was provided to the client or potential customer in a reliable, accurate and understandable manner before the start of the investment advisory service or portfolio management services that include one or more Financial Instruments, which may be described in a general manner.

Payments that do not comply with legal regulations are classified as not allowed and are not collected and transferred.

The table below presents the types of transferred fees, commissions or non-cash benefits, other than those indicated in the Table of Fees and Commissions or in the contract for the provision of a given brokerage service.



The trade name of the service with which the fee, commission or non-cash benefit is associated	TMS Brokers acts as a forwarder or collector	Type (commission, bonus, etc.)	The name of the Contractor	The size of the fee, commission or non-cash benefit
All services	Collector	Training for employees	Various third parties that provide investment services to TMS Brokers	Free
Asset management	Forwarder	Application supporting the management process - Saxo Portfolio Manager	Saxo Bank A / S (Collector)	EUR 500 per user (PLN 2,144 according to the exchange rate of October 22, 218)
Asset management	Forwarder	Fee for opening an account as part of the asset management service	Saxo Bank A / S (Collector)	EUR 25 per account (PLN 107 according to the exchange rate of October 22, 218)
TMS Direct	Forwarder	The application facilitates the execution of orders by customers	Saxo Bank A / S (Collector)	Free
TMS Direct	Collector	Rebate system/ cash back	Saxo Bank A/S (Forwarder)	From 0% to 10% of the total commission amount
TMS Direct	Forwarder	Rebate system/ cash back	TMS Brokers Clients (Collector)	from 1% to 50% of the value of the spread, commission or cost of holding the position paid by the Client
TMS Trader, TMS Connect i TMS Prime and TMS Markets	Forwarder	Rebate system/ cash back	TMS Brokers Clients (Collector)	from 1% to 30% of the value of the spread or commission paid by the Client
Calculating interest on cash entrusted by clients - various services	Forwarder	interest	Banks in which TMS Brokers stores cash entrusted by the Clients (forwarder)	Determined individually in the contract (from 0% to 2%)
A general advice service	Forwarder	Free	Customer (Collector)	Free
A general advice service provided by third parties	Forwarder	Free	Customer (Collector)	Free
Reporting transactions to the trade repository	Forwarder	Fee for the trade repository	KDPW (Collector)	Defined in the KDPW resolution <a href="https://www.kdpw.pl/pl/repozytorium-transakcji/Documents/Tabela%20Op%C5%82at.pdf">https://www.kdpw.pl/pl/repozytorium-transakcji/Documents/Tabela%20Op%C5%82at.pdf</a>
All services	Forwarder	Small non-monetary benefits of an occasional nature (gifts, gifts)	TMS Brokers clients (Collector)	Up to PLN 1,000
All services	Collector	Small non-monetary benefits of an occasional nature (gifts, gifts)	Various third parties that provide investment services to TMS Brokers	Up to PLN 1,000
All services	Forwarder	Conferences and trainings for clients	TMS Brokers clients (Collector)	Up to PLN 2,000
All services	Forwarder	Educational materials (eg books, electronic recordings)	TMS Brokers clients (Collector)	Up to PLN 1,000
TMS Trader, TMS Connect, TMS Prime, TMS Markets, TMS Direct, TMS MiniDirect, TMS Stocks	Collector	Fees related to making payments to the Client's cash account	TMS Brokers clients (Forwarder)	From 0% to 2% of the deposit amount
TMS Trader, TMS Connect, TMS Prime, TMS Markets, TMS Direct, TMS MiniDirect, TMS Stocks	Forwarder	Fees related to making payments to the Client's cash account	Blue Media S.A. (Collector) Dotpay S.A. (Collector)	From 0% to 1,5% of the deposit amount
TMS Stocks	Collector	Stock exchange fees on the sale of securities (stocks)	Order execution system	A return by TMS Brokers of US dollars 22.10 per million US dollars worth of shares sold.
TMS Stocks	Collector	Holding fees	The depository, i.e. KBC Group N.V.	TMS Brokers reimbursement of 0.03% per annum.

TMS Brokers accepts benefits in the form of interest obtained from cash entrusted by clients. TMS Brokers expends the funds obtained for the following purposes, which serve to improve the quality of brokerage services provided by TMS Brokers to the Client.

	2014	2015	2016	2017	2018	2019
<b>Objectives for which benefits have been expended</b>						
providing customers with real-time stock market data without charging for distribution from Clients	14%	36%	43%	74%	75%	73%
systems supporting brokerage services (eg. implementation of the NonStop system to manage the account, web platform, graph analysis tool)	50%	48%	15%	0%	0%	0%
information service	5%	3%	5%	7%	8%	7%
technology	32%	13%	38%	19%	17%	20%
<b>TOGETHER:</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Appendix number 2 to the Information sheet about TMS Brokers

### Information regarding the EMIR Regulation.

On 16 August 2012, Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 entered into force on OTC derivatives, central counterparties and trade repositories. (hereinafter: EMIR), however, full implementation of EMIR required the entry into force of delegated regulations and implementing acts. Most regulations entered into force on 15/03/2013, with transitional periods introduced for certain obligations.

#### Who is affected?

EMIR is applicable to companies established in the European Union.. EMIR differentiates requirements for individual entities depending on the category to which a given entrepreneur belongs in accordance with EMIR. Enterprises subject to EMIR are jointly referred to as Contractors.

EMIR divides enterprises into the following categories:

- Financial counterparties (FC) - means:
  - for investment firms authorized in accordance with Directive 2004/39 / EC,
  - for credit institutions that have been authorized in accordance with Directive 2006/48 / EC,
  - insurance undertakings licensed in accordance with Directive 73/239 / EEC,
  - insurance undertakings licensed in accordance with Directive 2002/83 / EC,
  - reinsurance undertakings authorized in accordance with Directive 2005/68 / EC, UCITS and their management companies, which have been authorized in accordance with Directive 2009/65 / EC,
  - for institutions for occupational retirement provision within the meaning of art. 6 lit. (a) Directive 2003/41 / EC
  - alternative investment funds managed by managers of alternative investment funds that have been granted authorization or registered in accordance with Directive 2011/61 / EU,
- • Non-financial counterparties (NFCs) - means a company established in the Union that is not a Financial Counterparty (FC).

According to EMIR, a non-financial counterparty that holds positions in OTC derivative contracts is required to monitor whether these items do not exceed the threshold related to the obligation of clearing derivative contracts by a central counterparty. Non-financial counterparties whose average position in transactions or derivative contracts **within 30 business days** exceeds the relevant threshold indicated in the table below are obliged to immediately inform ESMA, the competent supervisory authority (in the case of Poland it will be the Polish Financial Supervision Authority) and TMS Brokers about this fact:

Type of derivative contract.	Settlement threshold
Credit derivatives	EUR 1 billion
Equity derivatives	EUR 1 billion
Interest rate derivatives	EUR 3 billion
Currency derivatives	EUR 3 billion
Commodity derivative contracts and derivative contracts other than the aforementioned	EUR 3 billion

Non-financial counterparties who exceed the appropriate threshold are required to fulfill additional obligations arising from EMIR, including those that are obliged to settle OTC contracts by a central counterparty on analogous terms such as financial counterparties. Non-financial counterparties who have crossed the threshold are referred to as NFC + and who have not crossed this threshold as NFC-.

### **The most important EMIR duties:**

- Reporting

When entering into, changing, clearing and terminating the transaction, both parties (Client and TMS Brokers) are required to report this event to the institution collecting and storing data relating to derivatives (Repository). This obligation applies to both transactions concluded on the exchange and over-the-counter markets. Reporting can be done by:

- Each party to the transaction separately (TMS Brokers in his name, Client in his own).
- One of the parties to the transaction on behalf of himself and the other transaction participant (eg TMS Brokers reports for himself and on behalf of the client).
- Third party, e.g. another bank, brokerage house.

In order to meet the clients' expectations, TMS Brokers will report on derivative transactions concluded by the client with TMS Brokers on behalf of himself and clients. The condition enabling this action is signing the documentation regulating the conclusion of transactions between the client and TMS Brokers indicating such a reporting mode. The Regulations of the EMIR Reporting System in TMS Brokers contain the principles on which TMS Brokers will report. In order to sign the appropriate documentation in the field of transaction reporting with TMS Brokers, please contact the Customer Service Department (mail dok@tms.pl, tel.: 22 27 66 282).

The customer can also report transactions to the repository on their own. However, it must report this fact to TMS Brokers, in which case it is necessary to agree with TMS Brokers the mode in which the content of reports submitted to repositories will be agreed, because EMIR regulations introduced an order to ensure the consistency of data contained in reports.

- Confirming transactions,

Confirmation of a derivative transaction must be made within a period not longer than specified in EMIR, according to which

- o for FC and NFC + until the end of the first business day after the transaction date,
- o for NFC - until the end of the 2nd business day after the transaction date.

Detailed rules for confirming transactions have been specified in art. 12 Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards concerning indirect reconciliation arrangements, clearing obligation, public register, access to trading system, non-financial counterparties, risk mitigation techniques related to OTC derivative contracts that are not settled by a central counterparty.

- Reconciliation of the portfolio of transactions (so-called portfolio reconciliation)

Contractors with derivative transactions are required to have procedures to periodically reconcile derivative transactions portfolios.

The frequency with which portfolio reconciliations should be made is set out in art. 13 Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on indirect reconciliation arrangements, clearing obligation, public register, access to trading system, non-financial counterparties, risk mitigation techniques related to OTC derivative contracts that are not cleared by a central counterparty

- Portfolio compression (early settlement or merger of transactions, if you have more than 500 derivative transactions concluded with TMS Brokers)

Accounts with open and unsettled over 500 derivative transactions are required to have procedures for checking the ability to compress a portfolio to reduce their credit risk. Pursuant to Commission Delegated Regulation (EU) No 149/2013, counterparties must be able to provide the competent authority with a rational explanation of their assessment that portfolio compression should not be carried out.

Detailed principles of portfolio compression have been specified in art. 14 Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards regarding indirect reconciliation arrangements, clearing obligation, public register, access to trading system, non-financial counterparties, risk mitigation techniques related to OTC derivative contracts that are not settled by a central counterparty.

- Having procedures to resolve disputes

Counterparties that conclude off-regulated derivative contracts between themselves should have procedures for resolving disputes regarding contract recognition, valuation or collateral replacement.

Detailed principles of portfolio compression have been specified in art. 15 Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards regarding indirect clearing arrangements, clearing obligation, public register, access to trading system, non-financial counterparties, risk mitigation techniques related to OTC derivative contracts that are not settled by a central counterparty.

- Daily valuation of active contracts at market value

FC and NFC + counterparties are required to make daily valuations of derivative transactions based on market quotes or if it is not possible based on the model.

- Record of derivative transactions

Each counterparty of a derivative transaction is obliged to keep records of all derivative contracts it concludes and any changes for at least five years from the date of termination of the contract.

### **Central settlement:**

Selected types of derivative transactions, specified in relevant delegated regulations, concluded outside of the regulated market are subject to mandatory settlement by the so-called central counterparties (CCPs). This obligation applies to transactions concluded between:

- two FC contractors,
- an NFC + contractor and a FC contractor,
- between two NFC + contractors.

The obligation to settle selected contracts also applies to transactions with entities established in a third country, which, if they were based in the European Union, would be subject to the clearing obligation.

Central settlement does not apply to transactions concluded between an NFC contractor and a FC counterparty.

### **Disclaimer**

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