

Pursuant to Article 428 (1) of the Code of Commercial Companies, as a shareholder of the Warsaw Stock Exchange, in order to assess the matters on the agenda, I ask the following questions of the GPW Management Board:

1. What is the average and mean broker's fee in the trading systems organised by the company? What is the average and mean broker's fee for the end customer, i.e., the individual investor? What is the average mark-up of sellers of exchange services (brokers) selling such services. Given that the end fees are among the highest in the world, adversely affecting directly and indirectly the Company's revenue and profits, has the Management Board considered any solution to the problem? Has the Management Board considered the establishment of a broker controlled by GPW that would offer end consumers a fee of 0.05% for example?

2. What is the average and mean duration of processing applications for the admission and introduction of shares to trading on the regulated market and in the ATS? What was the minimum and the maximum duration in 2017? What are its driving factors? Under Article 18(2) of Directive 2014/65/EU of the European Parliament and of the Council, has the Exchange established clear and transparent rules of introduction of shares to trading in the ATS? What are the criteria including revenue, own capital, debt, financial ratios? Are such criteria discretionary? In the opinion of the GPW Management Board, would a company whose annual revenue is less than PLN 5 thousand meet the criteria of introduction on NewConnect? Does it surprise the Management Board that companies which carry out no operations are admitted to trading while other companies are delisted for this very reason?

3. Under Article 19(1) of the Directive, what are the non-discretionary rules for the execution of orders and the resumption of trade after the static and dynamic collars are crossed in the ATS operated by GPW?

4. Under Article 32(1) of the Directive, what are the rules on NewConnect organised by GPW whose non-compliance causes the suspension or removal of financial instruments from trading? Is there a revenue or equity criterion that companies have to meet in order to be traded on NewConnect?

5. Under Article 47(1)(d) and (e) of the Directive, what are the non-discretionary rules for the execution of orders and the resumption of trade after the static and dynamic collars are crossed on the regulated market operated by GPW?

6. Under Article 51(1) of the Directive, has the Exchange established clear and transparent rules regarding the admission of shares to trading on the regulated market? What are the criteria in terms of revenue, own capital, debt, financial ratios? Are the criteria non-discretionary?

7. Under Article 52(1) of the Directive, what are the rules of the regulated market operated by GPW for traded instruments? The non-compliance with which rules causes the suspension of trading in financial instruments? The non-publication of financial statements in due time causes the suspension of trading—under which provisions is trading suspended? Is GPW aware that it punishes shareholders rather than the persons who failed to publish the report? Is GPW aware that this forces investors to leave the Polish capital market?

The answer to question 1 was provided to the shareholder at the Ordinary General Meeting on 19 June 2018.

Answers to questions 2 and 6

The deadline for the processing of applications and the criteria of the admission and introduction of financial instruments to trading on the regulated market and in the alternative trading system are defined in the applicable regulations.

The terms and conditions of the admission of financial instruments to trading on the exchange are governed by Chapter 2 of the Exchange Rules.

Concerning the deadline for the processing of applications for admission, according to § 8 (1) of the Exchange Rules, in the case of first admission (instruments of the same kind issued by the issuers which were not previously subject to admission to trading on GPW), the Exchange Management Board shall pass a resolution on the admission of financial instruments to exchange trading within 14 days of the application's filing date, which is the date of submission of the complete application containing all required documents and additional information. In the case of the issuer's application for admission to exchange trading of additional instruments of the same type (under § 19 of the Exchange Rules), the provisions of § 8 (1) do not apply.

The criteria of introduction of financial instruments to the alternative trading system are defined in Chapter 2 of the Alternative Trading System Rules.

According to § 5 (1) of the ATS Rules, the Alternative System Organiser shall adopt a resolution concerning introduction or refusing introduction of financial instruments to trading in the alternative system 10 working days after the issuer submits an appropriate application (together with all the documents and information required under the ATS Rules). If the submitted application or the documents attached thereto are incomplete or it is necessary to obtain additional information, statements or documents, the deadlines for the adoption of the resolution shall run as of the day the application is supplemented or the required information, statements and documents are presented to the Alternative System Organiser.

The Exchange makes best efforts to ensure that issuers' applications are processed within the shortest time possible. The actual duration of processing an application depends mainly on the correctness and completeness of the submitted documents and the complexity of the issues presented in the application, subject to the Exchange's assessment of compliance with the criteria of admission and introduction to trading on the Exchange and in the ATS defined in the Exchange Rules or the ATS Rules, including the assessment of whether trading in the instruments will be reliable and effective, and whether the introduction of the instruments poses a threat to the safety of trading and the interest of trading participants.

Answers to questions 3 and 5

The provisions of Article 19(1) of MiFID II (organisation of MTFs/ATFs) and Article 47(1)(d) of MiFID II (organization of organised markets) suggests that regulated market operators and MTF organisers, respectively, should establish and implement non-discretionary rules for the execution of orders in the system.

Non-discretionary rules for the execution of orders in the system are an imminent feature of the regulated market and MTFs, as derived from their definitions under Article 4(1)(21) and (22) of MiFID II:

"(21) 'regulated market' means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – **in the system and in**

accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III of this Directive;

(22) 'multilateral trading facility' or 'MTF' means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – **in the system and in accordance with non-discretionary rules – in a way that results in a contract** in accordance with Title II of this Directive.”

Non-discretionary rules for the execution of orders in the system are clearly defined in recital 7 of MiFIR.

“(7) The definitions of regulated market and multilateral trading facility (MTF) should be clarified and remain closely aligned with each other to reflect the fact that they represent effectively the same organised trading functionality. The definitions should exclude bilateral systems where an investment firm enters into every trade on own account, even as a riskless counterparty interposed between the buyer and seller. Regulated markets and MTFs should not be allowed to execute client orders against proprietary capital. The term 'system' encompasses all those markets that are composed of a set of rules and a trading platform as well as those that only function on the basis of a set of rules. Regulated markets and MTFs are not obliged to operate a 'technical' system for matching orders and should be able to operate other trading protocols including systems whereby users are able to trade against quotes they request from multiple providers. A market which is only composed of a set of rules that governs aspects related to membership, admission of instruments to trading, trading between members, reporting and, where applicable, transparency obligations is a regulated market or an MTF within the meaning of this Regulation and the transactions concluded under those rules are considered to be concluded under the systems of a regulated market or an MTF. The term 'buying and selling interests' is to be understood in a broad sense and includes orders, quotes and indications of interest.

One of the important requirements concerns the obligation that the interests be brought together in the system **by means of non-discretionary rules set by the system operator**. That requirement means that they are brought together under the system's rules or by means of the system's protocols or internal operating procedures, including procedures embodied in computer software. **The term 'non-discretionary rules' means rules that leave the regulated market or the market operator or investment firm operating an MTF with no discretion as to how interests may interact.** The definitions require that interests be brought together in such a way as to result in a contract which occurs where execution takes place under the system's rules or by means of the system's protocols or internal operating procedures.”

As clarified above, the EU legislator clearly provides that the non-discretionary rules for the execution of transactions imply clear, pre-defined rules for submitting orders and executing transactions available to the trading participants. The market operator must ensure equal terms of filing and executing orders in its trading system. Such terms cannot involve discretionary decisions of the trading organiser either at the time of accepting orders for the market trading system (e.g., the market operator cannot decide on a discretionary basis which order will be accepted in the system, whether the order will be accepted in full, and when order will be accepted in the system) or at the time of executing

a transaction on the market (e.g., the market operator cannot decide on a discretionary basis which orders in the system will be matched and when the orders will be matched after being entered in the system).

The non-discretionary rules for the execution of transactions are particularly relevant to the understanding of the difference between the operation of an OTF on the one hand and the operation of an MTF and a regulated market on the other hand. It should be noted that pursuant to Article 20(6) of MiFID II, orders on an OTF (organised trading facility) are executed on a discretionary basis.

While the execution of transactions on a discretionary or non-discretionary basis is one thing, the halting/suspension of trading upon a significant volatility of prices of financial instruments on the market is another thing.

It should be noted that the introduction of the suspension of trading to the trading rules on the regulated market in view of significant volatility of prices derives from MiFID II (Article 48 (5) for the regulated market and Article 18 (5) in conjunction with Article 48 (5) for MTFs).

Article 48 (5):

“Member States shall require a regulated market to be able to **temporarily halt or constrain trading if there is a significant price movement in a financial instrument** on that market or a related market during a short period and, in exceptional cases, to be able to cancel, vary or correct any transaction. Member States shall require a regulated market to ensure that the parameters for halting trading are appropriately calibrated in a way which takes into account the liquidity of different asset classes and sub-classes, the nature of the market model and types of users and is sufficient to avoid significant disruptions to the orderliness of trading.”

According to the Exchange regulations (§ 142 (2) of the Exchange Rules and § 60 (2) of Exhibit 2 to the ATS Rules) in view of Article 18a(1) of the Act on Trading in Financial Instruments, suspension of trading in the case of significant fluctuations of prices of financial instruments cannot be longer than 1 month.

Answers to questions 4 and 7

The grounds for the suspension of trading and delisting of financial instruments traded on the regulated market and in the alternative trading system are laid down in the applicable regulations.

For financial instruments admitted to trading on the regulated market, the specific grounds for the suspension of trading in the instruments are laid down in § 30 of the Exchange Rules and the grounds of delisting are laid down in § 31 of the Rules.

The specific grounds for the suspension of trading and delisting of financial instruments traded in the alternative trading system are laid down in Chapter 4 of the ATS Rules.