

# REGULATIONS CONCERNING PREPARATION OF GENERAL RECOMMENDATIONS BY X-TRADE BROKERS DOM MAKLEPSKI S.A.

of April 4<sup>th</sup> 2017

## General provisions

These regulations, hereinafter referred to as the Regulations, specify the principles of preparation of financial analyses and other General recommendations by X-Trade Brokers Dom Maklerski S.A.

**General recommendations issued by XTB and referred to in the Regulations shall not constitute investment advisory services within the meaning of the Act and shall not constitute Individual recommendations, i.e. are not based on an analysis of individual needs and the financial situation of the Client and are not addressed to a Client identified by name.**

## The following expressions shall have the following meanings:

<b>Financial instruments</b>	shall mean financial instruments within the meaning of the Act, not admitted to trading on the regulated market within the territory of the Republic of Poland or on the territory of another member state or not being the object of application for admission to trading on such a territory;
<b>Underlying instruments</b>	shall mean underlying instruments of derivatives;
<b>Client</b>	shall mean a natural person, a legal entity or an organizational unit without legal personality that has entered with XTB into the Agreement;
<b>Conflict of interest</b>	shall mean a circumstance known to XTB that may lead to a conflict between interest of XTB or a person associated with it and the obligation to reliably prepare the General recommendation;
<b>Employee</b>	shall mean a person employed with XTB on the basis of an employment contract as well as individuals remaining in a mandatory relationship or another similar civil law relationship with XTB;
<b>General recommendation</b>	shall mean a report, financial analysis or other information not being an Individual recommendation and recommending or suggesting, directly or indirectly, certain investment behaviours concerning one or several Financial instruments, including opinions concerning the current or future value or price of Financial instruments, to be distributed via Distribution channels or disclosed to the public;
<b>Individual recommendation</b>	shall mean a report, analysis or similar information, individual, based on an analysis of individual needs and the financial situation of the Client and addressed to a Client identified by name, recommending or suggesting, directly or indirectly, to a certain Client, certain investment behaviours concerning one or several Financial instruments or the issuer of Financial instruments, including opinions concerning the current or future value or price of Financial instruments or their Underlying instruments, concerning both Financial instruments admitted to trading on the regulated market within the territory of the Republic of Poland or any of the other member states or being the object of application for admission to trading on such a territory, and Financial instruments not admitted to trading on the regulated market within the territory of the Republic of Poland or on the territory of another member state or not being the object of application for admission to trading on such a territory;
<b>Distribution channel</b>	shall mean the Website and XTB transaction platforms on which XTB places General recommendations;
<b>Agreement</b>	shall mean an agreement on preparation of General recommendations by XTB;
<b>Act</b>	shall mean the act of 29 July 2005 on trading of financial instruments (Journal of Laws No. 183, item 1538, as amended);
<b>XTB</b>	shall mean X-Trade Brokers Dom Maklerski S.A.;
<b>Website</b>	shall mean websites maintained by XTB together with all their subsites.

## 1. General recommendations concerning Financial instruments not admitted to trading on the regulated market or not being the object of application for admission to trading on such a market and their Underlying instruments

- 1.1 The General recommendation should include the following information:
- details of XTB, including its registered office address;
  - name and surname as well as title of the person drawing up the General recommendation;
  - names and surnames of the persons participating in drawing up the General recommendation;
  - name of the entity supervising XTB;
  - indication of the circle of addressees of the General recommendation;
  - explanation of the professional terminology used in the General recommendation, where such terminology might be misunderstood by the addressees of the General recommendation;
  - clear separation of the facts from interpretations, estimates, opinions and other types of non-substantive information. For this purpose, each General recommendation should be divided into a part regarding analysis thereof and conclusions drawn from such analysis;
  - clear and visible indication of all material sources of information based on which the General recommendation has been issued;
  - information that the General recommendation has been based on reliable data, and where there are doubts as to the reliability of the information, a clear information to this end placed directly in the text of the General recommendation;
  - clear and visible indication of all anticipations, forecasts and target prices, and specification of material assumptions made while drawing up the General recommendations;
  - date and time of the end of drawing up the General recommendation;
  - date and time of publishing the General recommendation;

- m) XTb's declaration that it has acted with due care and diligence while drawing up the General recommendation, as well as indication that XTb shall not be liable for the consequences of investment actions taken based on the General recommendations or damage suffered as a result of such investment actions;
- n) information on the lack of guarantee of profit and the lack of protection from losses;
- o) information on conflict of interest included in paragraph 1.8 below;
- p) clear indication that presented information is not an Individual recommendation and does not have regard to the specific investment objectives, financial situation and needs of any specific person who may receive it.

#### **Disclosure of General recommendations**

- 1.2 General recommendations prepared by XTb are available to the existing Clients in the XTb seat and may be also distributed to Clients via Distribution channels.
- 1.3 A prepared General recommendation shall remain confidential until it is disclosed by the Distribution channels.
- 1.4 Before disclosing the General recommendation its content shall not be known, accepted or approved by Employees of XTb organizational units that:
  - a) purchase or sell Financial instruments on other person's account on the principles specified in article 73 of the Act, or
  - b) purchase and sell Financial instruments on their own account and manage their own block of Financial instruments.
- 1.5 In justified cases the Employees referred to in paragraph 1.4 may read the General recommendation prior to its disclosure, however only to the extent it is necessary for assessing accuracy of the information placed therein or identifying a potential conflict of interest.
- 1.6 In the cases referred to in paragraph 1.5 access to the General recommendation prior to its disclosure should be provided with the consent of the person performing the function of compliance officer at XTb, provided that communications and oral arrangements connected with this access are correctly recorded.
- 1.7 If the General recommendations that were earlier disclosed to any group of recipients are made public, information on the first date of its disclosure is placed in the content of the Recommendations.

#### **Procedure for a conflict of interest**

- 1.8 There is a conflict of interest between XTb and the Client due to the fact that XTb draws up General recommendations regarding Financial instruments that are also contained in the range of offer of XTb. Furthermore, where as a consequence of the General recommendation received the Client concludes a transaction with XTb, there is a conflict of interest consisting in that XTb will be the other party to the transaction concluded by the Client. XTb undertakes relevant measures in order to minimise the effect of such a conflict of interest.

## **2. Procedure for consideration of complaints**

- 2.1 Complaints related to the services provided by XTb, can be filed by the Client in the specified below manners:
  - a) personally:
    - in writing, on a paper compliant form provided for that purpose by XTb on the Website;
    - orally, in XTb's office, recorded by XTb employee on a paper compliant form provided for that purpose by XTb;
  - b) by a telephone, using a clearly indicated telephone number provided for that purpose by XTb;
  - c) by mail, sent to XTb' Office, using a paper complaint form provided for that purpose by XTb on the Website;
  - d) using an electronic compliant form provided for that purpose by XTb in the Client Office.
- 2.2 Any forms and contact data concerning filing complaints, including telephone number(s), are indicated in the Instruction on Filing Complaints, provided on Website.
- 2.3 The complaint shall contain:
  - a) an information enabling XTb to undoubtedly identify the Client, consistent with the information submitted to XTb at the conclusion of the Agreement or with later changes thereof;
  - b) brief description of the problem;
  - c) time of occurrence of the problem, which the complaint concerns;
  - d) a precise request;
  - e) complained Recommendation.
- 2.4 If a content of the complaint is not clear or precise or there is doubt as to what exactly is being complained, XTb shall have the right to ask the Client for submitting further information or clarification. The Client acknowledge that if complaint is not clarified or requested information not provided, the complaint might be on such basis rejected. Lack of any of the items listed in point 2.3 results in an interruption of the period for reply to the complaint until the complaint is completed with the missing items. After the complaint is completed, the period for the reply restarts.
- 2.5 On Client's request, XTb confirms receipt of the complaint.
- 2.6 XTb shall immediately investigate the situation that caused the complaint of the Client and notify the Client about results of the conducted investigation in writing or on a durable carrier of information or in electronic form, if requested by the Client. The response to the complaint is sent by XTb within 30 days from the date of filing the complaint. If the complaint, due to its particular complexity, cannot be responded in aforesaid period, XTb shall provide the complaining Client with information including:
  - a) explanations of the reasons for the delay;
  - b) indication of circumstances that have to be established for consideration of the complaint;
  - c) expected date of consideration of and response to the complaint, which shall not exceed 60 days from the receipt of the complaint.
- 2.7 Client can file a complaint by a proxy.
- 2.8 Client acknowledges that filing a complaint immediately after the irregularities being revealed, will enable and quicken consideration of the complaint by XTb, unless this situation is not relevant to the procedure of considering the complaint.
- 2.9 Notwithstanding the provisions of the Regulations, the Client has the right to bring an action before the competent court. This applies also to situations when the Client is not satisfied with the decision of XTb related to the claim submitted by him/her .
- 2.10 The Client being a natural person has the right to apply to the Financial Ombudsman with application for the reconsideration of the submitted complaint. Furthermore the Clients being a consumer has the right to request a free consumer advice from organizations or authorities taking care of consumer rights protection in accordance with applicable regulations.
- 2.11 In case of any inconsistency between the content of herein chapter and the content of the Instruction for Filing Complaints or any interpretation doubts, the provisions of the Instruction for Filing Complaints shall prevail.

## **3. Conclusion of the agreement**

- 3.1 The Agreement shall be concluded by acceptance of the herein Regulations.
- 3.2 General recommendation services are provided on the basis of the Regulations.
- 3.3 Acceptance of the Regulations shall take place in electronic form, by acceptance of the contractual conditions placed on the Website or by prior conclusion in written form with XTb of agreement on provision of brokerage services.

## **4. Communications**

- 4.1 XTb exchanges communications with the Client by means of regular mail, or electronic mail or internal electronic mail. The parties specifically agree that any statements of intent or other statements concerning performance of activities connected with trading of

- Financial instruments or other activities performed as part of XTB activity may be submitted by the parties to the Agreement in electronic form.
- 4.2 In the situations specified in these Regulations and in other cases when XTB considers it reasonable XTB shall exchange communications by registered mail or courier mail with acknowledgement of receipt.
  - 4.3 The Client has the obligation to read the communications received from XTB.
  - 4.4 Communications sent to the Client by XTB shall be considered received by the Client after the expiration of the following time-limits:
    - a) for registered mail - upon its service;
    - b) for electronic mail - after one day from its sending;
    - c) for internal electronic mail - after one day from its sending;
    - d) for courier mail – upon its service.
  - 4.5 Any communications shall be sent to addresses, e-mail addresses, fax or telephone numbers contained in the Client's Identification Card.
  - 4.6 The Client hereby consents to recording by XTB of any calls between the Client and XTB performed by means of a telephone or another means of communication, in particular communications in electronic form, and to using such records as evidence in any disputes between the parties.
  - 4.7 Any records referred to in the preceding point shall be kept by XTB for 5 years.

## 5. Final provisions

- 5.1 The Employees are not authorized to issue or provide any Individual recommendations.
- 5.2 XTB is not responsible for results of investment decisions taken on the basis of provided Recommendations if XTB prepared them with due diligence.
- 5.3 The Client shall personally assess whether opinions included in the General recommendations prepared by XTB take account of the Client's needs and situation.
- 5.4 The General recommendations issued by XTB and referred to in the Regulations shall not constitute investment advisory services within the meaning of the Act, i.e. they are not based on an analysis of individual needs and the financial situation of the Client.
- 5.5 The information included in General recommendations is designated for personal use of the addressees only.
- 5.6 Reproducing, reprinting and disclosing information included in the General recommendations to the public is prohibited.
- 5.7 Access to the Distribution channels is free of charge. XTB may unilaterally restrict access to individual components of the Distribution channels to Clients meeting a certain criterion, in particular volume of turnover generated by the Client via XTB.
- 5.8 XTB has the right to amend the Regulations, upon notifying the Client in advance, at least 14 days before the amendments enter into force.