

Securities Broker Code of Ethics

(internal directive no. 12/2019)

I. Article Introductory provisions

1. This internal directive of U.P. o.c.p., a.s. with its registered office at Pribinova 20, Bratislava city district Staré Mesto 811 09, Slovak Republic, ID No.: 52 506 452 (hereinafter referred to as the "Trader"), introduces the Broker's Code of Ethics as securities broker company. Trader is a securities broker pursuant to Act No. 566/2001 Coll., as amended.
2. The rules of the Code of Ethics are based on the applicable legal regulations, in particular Act no. 566/2001 Coll. on Securities and Investment Services (hereinafter "Securities Act"), the Commercial Code, the European Union legislation, as well as the customs used in the trading of securities brokers.
3. This Code of Ethics is issued because the Trader:
 - a. is a securities broker company conducting business under a license issued by the National Bank of Slovakia under file no. NBS1-000-028-701, ref: 100-000-175-579, which entered into force on 18th June 2019,
 - b. may carry out its activities through its staff as well as through a network of tied investment agents whose selection is subject to strict rules and criteria,
 - c. wishes to exercise a higher standard of professional ethics and moral principles in the performance of its activities in order to protect the rights of clients and financial consumers,
 - d. has an interest in contributing to the stability of competition in the financial market and to improving the quality of a healthy competitive environment,
 - e. wishes to assume social responsibility and implement social principles,
 - f. recognizes that the values of independence, fairness and decency, education and professional care for cooperating persons and clients are a crucial and integral part of the work of a securities broker company,
 - g. is interested in establishing binding rules of conduct of persons through which it performs its activities and provides its services in such a way that they act in relation to the client as well as towards each other fairly, professionally and responsibly,
 - h. is interested in informing clients and the professional public on good morals and principles of the Securities Broker's work, which the Securities Broker has undertaken to abide by.
4. This Code of Ethics is obligatory for:
 - a. Members of all Trader's bodies,
 - b. Traders Employees,
 - c. Other persons acting on behalf of the Trader in contact with the Trader's clients,

- d. Persons to whom the Trader has entrusted certain activities in relation to the Trader's clients.

II. Article Basic rules

1. Trader is obliged in performing its activity to:
 - a. consistently proceed in accordance with applicable legal regulations, internal regulations (especially internal directives) of the Trader and in accordance with the rules of public market organizers,
 - b. to perform only such activities and to provide only such services for which it is authorized to perform and provide, as well as sufficient personnel, financial, professional and material qualifications, as well as adequate experience,
 - c. ensure that professional activities and services and legal acts on its behalf are carried out only by persons who are sufficiently professional and morally competent;
 - d. to undertake only to fulfill such obligations, of which it is adequately secured and for which it can reasonably expect to fulfill them;
 - e. to separate clients' assets from its assets,
 - f. use clients' property only in accordance with the interests of the client.
2. The Trader will not perform its activities or provide services through a person if it is known that such person has demonstrably deliberately harmed another securities broker, a securities broker company client, or another financial market entity (e.g., asset management company, bank, insurance company) or if it has reasonably suspects on such fact.
3. The Trader participates in the competition, while respecting the legally binding rules of competition and must not abuse the participation in the competition.
4. The Trader shall refrain from false, misleading and unverified statements about the performance of its activities and the provision of services.
5. The trader is obliged to ensure the continuous education of persons through which it performs its activities and provides its services.
6. The Client's interest is primary in the provision of the Traders' services. In the event of a conflict of interest between the interests of the Trader and the client, or between the interests of several clients that cannot be prevented from each other, the Trader informs the client of such conflict before the trade is concluded. Details of the conflict of interest prevention measures that is the Trader obliged to follow are governed by the Traders Internal Guideline No. 13/2019 - Securities Broker's Rules for Identifying and Managing the Conflicts of Interest, which is available to clients upon request.

III. Article

Rules of contact with clients

1. In concluding contracts with the client, the trader is obliged to proceed in accordance with the applicable legal regulations, and is obliged to ensure, before concluding the contract, that the client is sufficiently acquainted with the essential requirements and purpose of the contract to be concluded.
2. When concluding contracts for the purchase or sale of securities (especially commission and mandate contracts), the Trader is obliged, unless the client insists on other, to ensure that the contract contains, in addition to the statutory requirements, also:
 - a. method of appreciation of temporarily unused funds provided by clients to the Trader as a deposit for the purchase of securities or obtained from the sale of securities of the client, or provision that such funds will not be appreciated,
 - b. the manner and timing of payment of funds received for sold securities of the client or to which is the client entitled for another reason; unless otherwise stated in the contract, the Trader is obliged to pay these funds to the client without undue delay,
 - c. in the case of contracts which are not concluded for a single case or more specified cases, the conditions and time limits for the termination of the contract;
 - d. the amount of remuneration for the provided services and, where appropriate, the method of calculation;
 - e. the manner and time of providing information to the client on transactions concluded on its behalf.
3. When placing an order for the purchase or sale of securities and at conclusion of contracts for the transfer of securities, the Trader is obliged to inform the client to the appropriate extent on:
 - a. the current market situation regarding the securities in question,
 - b. circumstances that might prevent or adversely affect the execution of the order placed by the client, if they are known to it or might consider them as likely to occur,
 - c. the envisaged manner and time of execution of the order, in particular whether it will be the purchase of the client's securities in the Trader's property or the sale of the securities required by the client from the Trader's property, or if it is the mutual trade between the Trader's clients, if such facts are known to him,
 - d. the possibility of realization of trade on more favorable terms than that required by the client, if such possibility is known to him or likely to be available to him when placing the order; this also applies to cases where the client places an order for the execution of a direct transaction, in which it designates the other party in advance, if the client nevertheless insists on the execution of the direct transaction under less favorable conditions, the Trader is obliged to ensure demonstrable evidence from client, that he was informed on such fact.

4. The trader is further obliged to:
 - a. inform the client, to appropriate extent, on the potential risks associated with the submitted order, or provided service,
 - b. refuse to accept such client's order, which, according to the information known to him or which should be known to him as an Stock broker company, would violate the law,
 - c. not to give preference to transactions on its own account over transactions on behalf of clients, not to favor a particular client over other clients, and not to execute such transactions that would result in the immediate detriment of a client,
 - d. use the time of order submission as primary criterion at determination of order of execution of orders, and the limit price as a secondary criterion,
 - e. notify the client of the unsuitability of a particular product for the client.
5. In the event that the Client entrusted the Trader with the management of its funds or portfolio management, i.e. if the client does not place individual orders separately, but determines only the general focus of the investment, the Trader is obliged to pay the maximum professional care to investing these funds; it shall not carry out operations which would expose the client to a disproportionate risk, or which would deliberately damage it, or which would be manifestly disadvantageous for the client in advance.
6. If the Trader has disclosed the expected amount of revenue for the management of clients' assets or similar activities for a certain period, and if a realistic assessment of the circumstances indicates that this value cannot be achieved for any reason, then the Trader is obliged to report this fact immediately to all interested clients.
7. If from the nature of the executed or planned transactions in the client's securities account can be concluded that the client may be subject to notification of offer obligation in terms of Securities Act, the Trader is obliged to inform the client on this fact in due time.

IV. Article

Rules for the provision and protection of information

1. The trader is obliged to:
 - a. truthfully, fully and comprehensibly inform the client on any material facts known to him relating to the activities realized for the client; this shall be without prejudice to the possibility of requesting remuneration for the provision of such information, if its nature and scope permit so,
 - b. to ensure that its staff in contact with clients are sufficiently aware of the current situation on the capital market and of other facts relevant to informing clients;
 - c. ensure that persons who have access to data relating to client orders are made aware of their intentions, or that persons who have access to other non-public information received from clients do not misuse that knowledge for their own benefit, to the benefit of the Stock broker, or for the benefit of third parties,
 - d. ensure adequate protection of clients' personal data as well as data on their financial situation and property conditions,

- e. know the identity of each of its clients or their agents;
 - f. identify and assess with due care the interests of the client.
2. In particular, the trader shall not:
- a. provide, or directly or indirectly spread misleading or false information that could adversely affect its clients' decisions to their detriment; targeted manipulation of securities prices on public markets is also considered as such activity,
 - b. provide promises the fulfillment of which is unlikely or even unrealistic;
 - c. in cases where it has given promises the fulfillment of which is jeopardized due to an unforeseen change in circumstances, it shall immediately notify all known interested parties;
 - d. use in its activity illegally obtained lists of shareholders of any joint-stock company, non-public data of market operators, Central Securities Depository or other similar data,
 - e. when publicly selling securities on the primary market, disclose information relating to the issuer or the issue of such securities, if it is known to it, or where, as to an Securities broker company, it should be known that such information is false or misleading.

V. Article Compliance check

1. Compliance Officer checks the compliance with the Code of Ethics.
2. Notices of breach of this Code of Ethics may be sent to compliance@up.sk.
3. The Compliance Officer collects information about violations of this Code of Ethics by individual obliged entities.
4. Based on the information specified in Section 5.3 of this Directive, the Compliance Officer shall report to the Trader's Supervisory Board at least once a year on compliance with this Code of Ethics. In particularly serious cases of violation of the Code of Ethics or repeated violations of the Code of Ethics by the same person, the Compliance Officer informs the Trader's Supervisory Board of the violation of the Code of Ethics without undue delay.
5. On the basis of the information pursuant to article 5.4 of this Directive, the Supervisory Board of the company shall propose to the Board of Directors the implementation of measures to remedy the identified deficiencies.

VI. Article Final provisions

1. This internal directive was approved by the Board of Directors of the Trader on 15.07.2019 and comes into effect on 15.07.2019.
2. This internal directive may be amended by decision of the Trader's Board of Directors.
3. This internal directive is published on the Traders website.



Bratislava 15.07.2019

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PaedDr. Ramón Beño
Board of Directors chairman

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Ľubomír Bukový
Board of Directors member