



BEST EXECUTION POLICY

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TABLE OF CONTENT

1. **Introductory provisions**
2. **Markets where the Company executes customer's instructions**
3. **Instructions**
4. **Strategy for executing of instruction under the best conditions**
5. **Treating customer instructions**
6. **OTC transactions**
7. **Executing of FX operations related to provision of investment services**
8. **General provisions**
9. **Applicability**

Article 1
Introductory provisions

- 1.1. Strategy for execution of instructions under the best conditions (hereinafter referred to as "the strategy") applies to customers of WOOD & Company Financial Services, a.s. (hereinafter referred to as "the company"). Services rendered to eligible counterparties do not make the company to follow the obligations associated with execution of the instructions under the best conditions.
- 1.2. The company shall do its best to achieve the best possible execution of an instruction in processing of the instructions at the expenses of the customer in relation with rendering of the investment services for the investment instruments while specific instructions from the customer are missing. The company employs the strategy for rendering of the following services: receiving and sending of instructions related to investment instruments, dealing with the same at its own expenses or at the expenses of the customer, effecting of FX transactions related to provision of the investment services and above-standard business deals, all in relation with regulated and non-regulated markets and in relation with investment securities and derivatives.

Article 2
Markets where the Company executes customer's instructions

Market	Approach	Name of exchange
Czech Republic	member	Prague Stock Exchange
Poland	member	Warsaw Exchange
Hungary	member	Budapest Exchange
Austria	member	Vienna Exchange
Germany	member	Frankfurt Exchange XETRA
Romania	member	Bucharest Exchange
Bulgaria	member	Bulgarian Exchange
Dubai	member	NASDAQ Dubai
Slovenia	member	Ljubljana Exchange
Greece	third party	Athens Exchange S.A.
Turkey	third party	Istanbul Exchange
Croatia	third party	Zagreb Exchange
Serbia	third party	Beograd Exchange
Slovakia	third party	Bratislava Exchange
Japan	third party	Tokyo Exchange
USA	third party	NYSE, NASDAQ
Great Britain	third party	London Exchange
Spain	third party	Spanish Exchange
Italy	third party	Italian Exchange
Netherlands	third party	NYSE EURONEXT
France	third party	NYSE EURONEXT
Belgium	third party	NYSE EURONEXT
Denmark	third party	OMX Copenhagen

Market	Approach	Name of exchange
Sweden	third party	OMX Stockholm
Finland	third party	OMX Helsinki
Luxembourg	third party	Luxembourg Exchange
Switzerland	third party	Swiss Exchange
Ireland	third party	Irish Exchange
Estonia	third party	Tallin Exchange
Other non-regulated markets	third party	VOS, SI

- 2.1. Should the company access a new market or stop participation on any market or change the access to a relevant market, the company customers shall be informed via website of the company at www.wood.cz
- 2.2. In cases where the company is not a direct member of an exchange and enters the same via a third party, responsibility for execution of instruction under the best conditions is limited. In these cases, the company shall not be liable for demonstrating execution of the instruction under the best conditions to the client in relation to each individual deal. However, the company monitors performance of the strategy in this case as well.

Article 3 Orders

- 3.1. Should the customer make a specific instruction (i.e. an act-based instruction or limit), the company shall execute the instruction according to the customer's request.
- 3.2. **Standard orders**
Should the investment instruction be dealt on one regulated market, broker processes the instruction on this market while considering the factors and nature of the instruction (market liquidity, size of the instruction, transaction costs, nature of transaction - see below). Should the investment instruction be dealt on more regulated markets at the same time, broker considers the factors and nature of the instruction (market liquidity, size of the instruction, transaction costs, nature of transaction - see below) and priorities of the customer (e.g. wish of the customer with respect to denomination and clearing centre used for the instruction). An alternative to dealing on the regulated markets is dealing against own account with the rule that the instruction shall not be executed under conditions worse than available on the regulated market. The OTC trading is used by the company only for customers who approved the dealing in advance.
- 3.3. **DMA orders**
DMA instructions are those bearing all information regarding where, how and when the instruction should be executed; all properties and factors of the instruction are defined by the customer and the company only processes the instruction directly on the exchange determined by the customer and checks legitimacy and technical correctness of the instruction. Should the company classify the instruction as illegitimate, the customer shall be notified as specified in contract or identically to the way the instruction was submitted by the client.

3.4. Specific instructions

Should there be specific instructions by the customer including request to process the instruction on other execution venue, the company shall take all reasonable steps to provide the customer with best possible result while taking account the specific nature of the instruction or any part thereof. Should the specific instructions or any part thereof not be comprehensible, the company shall define these unspecified parts according to the strategy.

Article 4

Strategy for executing of instruction under the best execution

4.1. Within its strategy, the company strives to find a balance among factors of the customer order and execute the same within limits available to the company though some of the factors may be contradictory.

4.2. The company assumes the following factors for determining how the customer's orders shall be processed:

4.3. Factor:

Weight:

4.4. Probability of executing the instruction	35%
4.5. Price attainable at the execution venue	35%
4.6. Clearing conditions	5%
4.7. Speed at which the instruction can be executed	5%
4.8. Costs for executing of the instruction	5%
4.9. Nature of the instruction (particularly size)	5%
4.10. Nature of financial instrument included in the instruction (specifics of the instrument, its liquidity etc.)	5%
4.11. Nature of execution venue where the instrument may be directed (other specifics of individual markets)	5%

4.12. When processing orders at the customer's expenses, the company also considers nature of the customer in addition to the factors given above (habits of the customers).

4.13. When considering the factors, the company gives the highest priority to market liquidity and attainable price at the execution venue (or probability of execution of the instruction with respect to volume of the deal requested). The most liquid markets (execution venues) are usually followed up by effective clearing systems at lower costs. The company does not charge the customer with any fees paid to third parties; the customer only pays remuneration for the instruction and amount thereof is known in advance.

4.14. When effective, the company's strategy is to be a direct member of an exchange being the most liquid execution venues for dealing of local shares in order to achieve the best prices possible. Should a title be dealt on more execution venues, the company shall prefer the point of the highest liquidity (with respect to denomination and place of clearing the deal).

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- 4.15. Approach for evaluation of the factors and nature of the customer: Should the company receive a deal instruction of which volume conforms to standard market deal size, the company shall then likely put emphasis on the best attainable price as well as related costs at the moment of executing the deal. However in case of large volume instructions with an impact on market or should the deal size exceed market liquidity, the company considers other factors as well. In this case, the instrument may be executed in several phases and not necessarily at the best market price should sufficient liquidity not be available. In this case, emphasis on likelihood of the instruction execution shall be put. Another aspect with potential effect on execution of the instruction is the customer's intent pursued by the instruction. Should the customer hedge against risk resulting from its other position, the speed of the instruct execution may be accentuated. Furthermore, execution of the instruction may be different in case of less standard deals or deals made on non-regulated markets. In this case, the company must differently evaluate eligibility of the counterparties or it may be difficult to get comparable prices due to their inexistence on other markets. Credit risk, business terms and conditions, transparency of costs etc. are important factors as well.
- 4.16. In case of rendering services to a group of non-professional customers, the highest and sole emphasis is put on the best prices for customers, i.e. "Price attainable at the execution venue" has 100% weight.

Article 5

Treating customer orders

- 5.1. Brokers monitor all communication channels intended for receiving of orders and they enter the same to the internal system of the company without undue delay (regarding the Czech market, the order should be entered within 15 seconds according to the exchange rules). The instruction must be clear and comprehensible - regarding quantity, direction, number of securities, name of securities and limit. Should a price limit exist, it must conform to interpretation of the exchange rules. Should a fix instruction be given, the price limit must respect the quotation steps.
- 5.2. The company shall clear comparable orders from customers as time order they were received and comply with applicable price limits. Should the company receive an instruction from its customer of which volume significantly exceeds usual size of the orders entered, the company brokers shall try to execute the order without undue delay and with professional care. However, there may be a situation when the company receives an order related to securities in significantly lower volume in the course of executing the above mentioned instruction; in this case, the lower volume instruction may be executed also in the course of the larger one albeit received earlier. Broker's obligation is acting with professional care towards both customers and providing the best execution in the sense of attributes of the instruction.
- 5.3. The company shall principally follow instructions of the customer under the best conditions by ensuring the best price attainable on the financial market as of the instruction validity, reasonable with respect to volume of the deal required (size under one lot) and while taking into accounts to third parties (exchange fees) and clearing conditions (clearing costs and taxes). The company determines its fee structure to avoid discrimination of an execution venue. If approved by customer, the company may close deals randomly from its own account (so-called OTC deals) in case of a written approval for such procedure by the customer.

- 5.4. The company shall sell the investment instruments for higher price or purchase the same for price lower than specified in the customer's instruction if possible also without consent of the customer. This rule may not be excluded on a contract basis.
- 5.5. Detail rules for treatment of the instructions from customers are described in the Company's internal rules Administrative procedures and Rules for Treatment of Customers.

Article 6
OTC transactions

- 6.1. As an alternative to regulated markets, WOOD & Company offers execution of the customer instruction from its own account. Under certain conditions, customer's instruction can be executed from the company's account at price either more favourable or equal to the price attainable on the regulated market. The deals are cleared identically to dealing on the regulated markets. It is WOOD & Company's obligation to publish quotations and volumes the company is able to deal at any moment within so called pre-deal transparency. Within the strategy, the company determines these quotations for liquidity shares as best bid -0.5% and best offer +0.5% from quotations published by a reputable agency normally available to professional clients. The company may offer a better price to its customers.
- 6.2. The quoted volume in the pre-deal transparency corresponds to current condition of the Standard Market Size for liquid shares; for non-liquid shares where the pre-deal transparency is not required, the quotations for these investment instruments are communicated to customers upon their request. Following execution, the deals shall be published on an accessible place.
- 6.3. Should the company use an entity for execution of the customer's instruction licensed for rendering of services on the capital market of which regulation is comparable to the regulation applicable to the company, the company shall not be required to check whether each individual instruction was reviewed by the entity with respect to the strategy for execution of instructions under the best conditions. However, the company shall monitor on ongoing basis whether the entity conforms to the strategy requirements in general. Should the company find out the performance of the entity does not comply with the strategy requirements, the company shall take all reasonable remedial steps without undue delay. Should third party fail to execute an instruction in conformity with the strategy of WOOD & Company, the company shall take all reasonable remedial steps.
- 6.4. The customers are provided with the strategy also in case they approve execution of the instructions outside regulated markets and multi-side dealing systems.
- 6.5. The company considers particularly the following factors when selecting a third party through which the instructions are executed:
 - capital equity of the company
 - competition position
 - ability for securing of liquidity
 - history of the company
 - reputation
 - market position

- conduct of the company
 - response to initial demand by WOOD & Company
- 6.6. The company monitors on ongoing basis, and particularly in case of significant market changes, appropriateness of selection of the third party with respect to current capital market conditions. The ongoing monitoring means particularly auditing of Trading department whether the selected company's position is still in compliance with the factors given above. Similar evaluation of third parties is conducted in compliance with legislation applicable to security dealers at least annually by Middle Office department.

Article 7

Executing of FX operations related to provision of investment services

- 7.1. Currency conversion is offered by the company in addition to the investment services as an additional service.
- 7.2. The additional service of the currency conversion included in investment instruction deal gives a chance to the customer to conclude a deal in one currency and make clearing in other one, i.e. conversion of currencies is provided as the additional service. Consequence of such operations is the company's account transactions in various currencies; liquidity necessary for clearing of the deals must be provided by the Treasury department. Liquidity must be closely monitored both with respect to its current condition and development depending on clearing of the agreed deals.
- 7.3. Concluding and executing of FX operations for the customers is the responsibility of the Trading department. The Trading department concludes a deal with investment instrument for the customer and should clearing in currency other than local is required by the customer, the broker shall secure sufficiency of funds in the requested currency from the Treasury department.

Article 8

General provisions

- 8.1. The company informs its customer about the strategy via a permanent data carrier. The company receives approval of the strategy from its customers as follows: the customer approves the strategy by failing to reject the same within 7 business days from receiving or entering the deal instruction. Should the company change its strategy, the customers must be informed about the change through its website www.wood.cz and sending an e-mail to the address of the customer. The customer approves change to the strategy by failing to reject the same within 7 business days of receiving of the strategy or publishing the same on its website or entering the deal instruction.
- 8.2. The company declares its ability to substantiate execution of the customer's instruction in compliance with the strategy within 5 business days in the Czech Republic from receiving a request for the same by the customer.
- 8.3. The company monitors on ongoing basis, and particularly in case of significant market changes, appropriateness of its strategy with respect to current capital market conditions. The ongoing monitoring particularly means audits by the Trading department whether the prices

obtained in provision of the investment services to which the strategy applies comply with the strategy. Similar evaluation of the strategy is conducted in compliance with legislation applicable to security dealers at least annually by Compliance department. Should there be changes to the company's strategy the customers are informed as said above without undue delay.

- 8.4. Should the customer have a justified, reasonable and rational request with respect to specifications of facts related to the strategy, the company shall respond the request without undue delay, however by 10 business days in the Czech Republic at the latest.