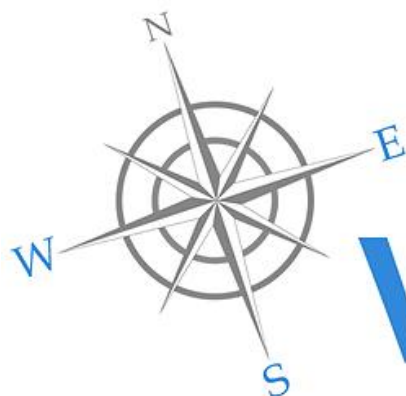




WARSAW
STOCK
EXCHANGE



WSE.2020

Warsaw Stock Exchange Strategy 2014-2020

[Summary]

Warsaw

16.01.2014

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I. Introduction

The following document is a summary of the development strategy for Warsaw Stock Exchange for 2014-2020 (WSE.2020), adopted by WSE Management Board and approved by the Supervisory Board on December 18th, 2013.

WSE.2020 strategy highlights WSE's determination to achieve the goal of ensuring a stable and operationally safe business model, with new, long term sources of growth, leading to long term value creation for its shareholders. Furthermore, this goal will allow us to realise our broader mission, to build an international capital centre - Warsaw Capital City - which supports the growth of the Polish economy, including the Polish capital market and helps to foster markets and economies where WSE Group is operational.

Expanding into new areas of business activity, so far untapped by WSE Group, shall complement the core business development effort.

Key objectives concerning Warsaw Stock Exchange Group development

Warsaw Stock Exchange highlights two key strategic objectives:

1. Maximization of the existing sources of WSE Group growth potential (in particular local investors and issuers potential),
2. Further diversification of income sources and internationalisation of business activities.

Current sources of WSE Group growth potential are yet to be fully developed. The key opportunities are seen in the following areas: liquidity of the listed instruments, exchange traded instruments share in the portfolios of domestic households, investment funds and pension funds investment potential, domestic banks direct participation in organized markets, share of automated trading in turnover, capital sources used by private enterprises and governmental bodies for further development, issuance activity of the banks, including mortgage banks and structured products issuers, energy commodities trading, including natural gas.

Diversification aims at immunizing WSE Group financial results from trends or investors' activity on the cash market, which currently constitutes the prevailing source of income for WSE Group. The diversification is to be implemented across products, services, clients and geography.

The new strategy means modification of the existing investment profile of the group, turning it into a company focused on long term growth, accepting higher spending on investment, research and development, education and promotional activities.

II. Mission, vision and strategic goal of WSE.

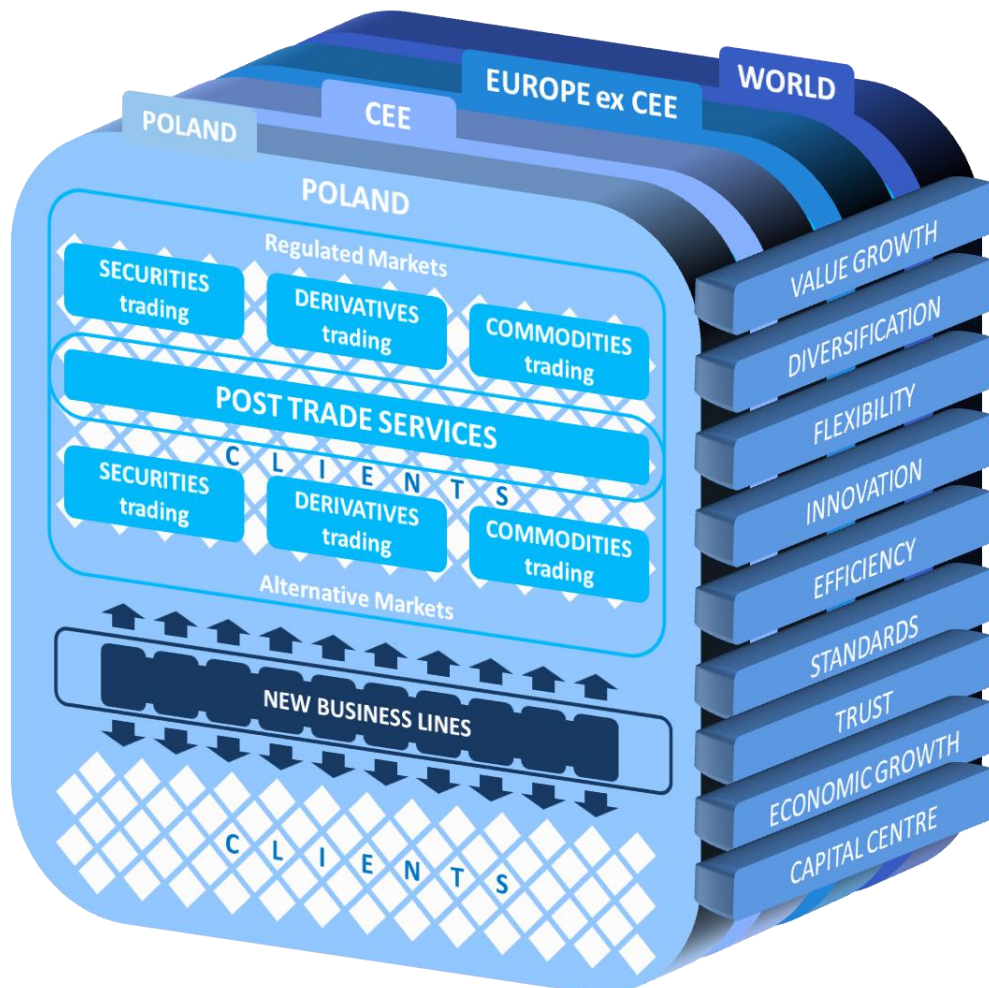
WSE mission is to give our clients and partners access to competitive - both in quality and in price – stock exchange, clearing, settlement and depository services and undertake activities targeting the creation of an international capital and economic centre in Warsaw, encompassing the Central- Eastern European region (the “Region”). Implementation of these activities should result in efficient allocation of capital and asset valuation, consistent improvement of capital market credibility and strengthening the economies of Poland and the Region.

WSE vision assumes creation of a strong and diversified organization by 2020, with active cooperation with its stakeholders. The organization shall:

1. be able to meet the challenges of domestic and international competition;
2. provide domestic and international entities with holistic Exchange services based on innovative technological and business solutions, in the areas of trade and clearing of financial instruments and commodities;
3. be trustworthy and oriented towards stable, constant value growth for shareholders;
4. remain an attractive business party for European exchanges and markets.

Main strategic goal of WSE is to achieve, either independently, via strategic alliance or partnership-like cooperation with significant entities from the capital markets, a dominant role in the Region and important position on the European capital markets scene.

Diagram 1. WSE Strategy – visualisation



Key values of WSE

Key values of WSE directed towards achievement of the strategic goal are as follows:

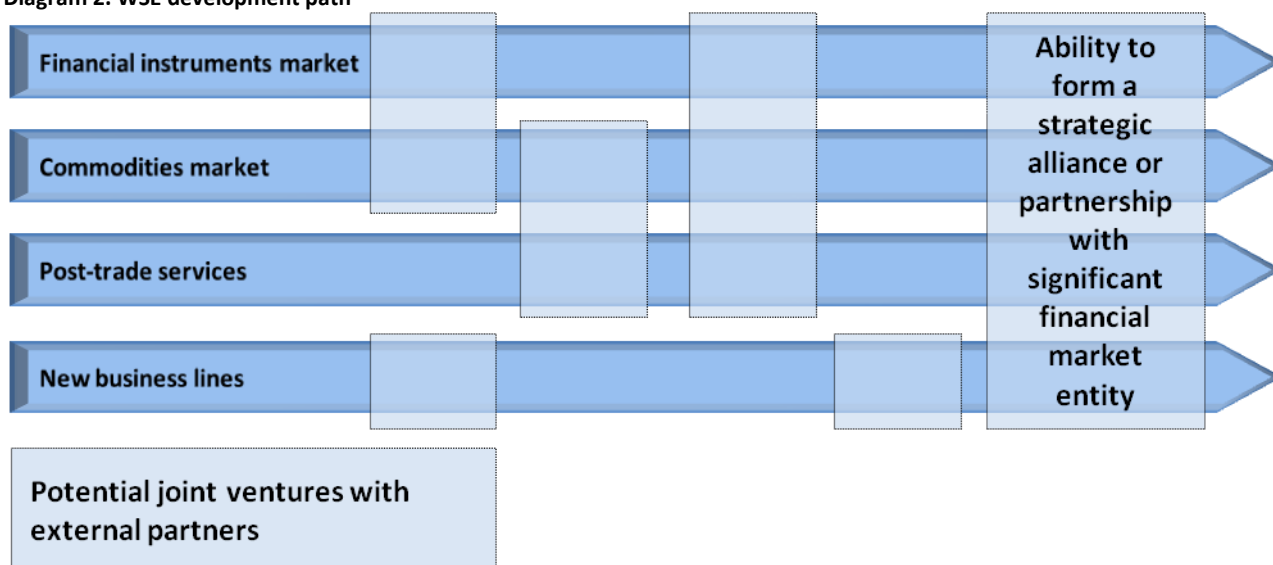
1. Value growth – aiming at stable and long lasting growth of company’s value for the shareholders.
2. Diversification – activities based on product and geographical diversification of income.
3. Flexibility – dynamic adaptation to market environment changes.
4. Innovation – activities based on innovation.
5. Efficiency – activities based on the highest and constantly improved standards in resources management.
6. Standards – shaping and observing the highest standards concerning investor relations, corporate governance and Corporate Social Responsibility.
7. Trust – constant development of trust towards the capital market.
8. Economic growth – fostering growth of the Polish economy, including the Polish capital market and economies within the Region, by providing Exchange services of the highest quality.
9. Creation of a Capital Centre – building an international capital centre in Warsaw.

WSE development path

WSE development path assumes continuation of the organic growth of current business lines as well as launching new ones, both from within WSE Group and via joint ventures with selected partners who offer innovative products, with established market positions, unique resources and growth perspectives.

At the time of accepting the new strategy, one of options remains M&A activity with CESEEG, subject to conditions which enhance WSE Group’s growth and generate benefits for WSE Group stakeholders. Following the potential merger/ acquisition, there will be further strengthening in terms of business and profile, with the aim of achieving an ever stronger competitive position, which may potentially allow for a strategic alliance or partnership or joint venture with other significant entities in the sector.

Diagram 2. WSE development path



III. WSE goals

The main WSE goal is the permanent improvement of the Group's competitive position. It is to be obtained mainly through maximization of efficiency and diversification of our core and complementary services. Maintaining strong efficiency shall rely on cost discipline and optimal allocation of resources within the Group. Strategic diversification with participation of external entities shall be enforced dynamically and based on very careful selection of partners characterized with outstanding competence.

WSE Group activities have been listed below into five categories for the purpose of strategy presentation. Each functional area has been attributed with separate main goals. Detailed goals, planned operational tasks and projects with ascribed priorities constitute the internal documentation of WSE operations.

Table 1. WSE main goals and functional areas¹

1. Financial instruments market
1.1 Strengthening dominant position in the CEE region concerning product range and financial instruments trading on organized/regulated markets
1.2 Reaching significant position in Europe concerning European shares turnover
1.3 Reaching significant position in Europe concerning non-European shares turnover
1.4 Reaching significant position in Europe concerning derivatives turnover
2. Commodities market
2.1 Reaching dominant position in the commodity market - encompassing electricity and energy resources - in spot and derivatives trading, on both regulated and OTC markets in the CEE region.
2.2 Reaching dominant position concerning organization of the agricultural commodities market in Poland
2.3 Reaching significant position concerning organization of the agricultural commodities market in the CEE region
3. Post-trade services
3.1 Creation of integrated and efficient structure for trading, clearing and settlement in the financial markets in Poland and in the CEE region
3.2 Integration of clearing for commodities markets and financial markets in Poland and in the CEE region
3.3 Ensuring high efficiency and development of post-trade for points: 1.2, 1.3 and 1.4 (above)
4. New business lines
Goals from this functional area shall be communicated according to the Strategy implementation agenda
5. Organization
5.1 Diversification of income assuring stability of WSE Group
5.2 Increasing efficiency of resources management
5.3 Constant improvement of trust and image of Polish capital market
5.4 Leveraging safety and operational efficiency

¹ Some of the goals listed above – in particular point 3 - are “conditional” and depend on the external factors.

IV. WSE as a publicly listed company

Warsaw Stock Exchange has been a publicly listed company since November 9th, 2010. It is listed on the Main Market of WSE. For WSE being present on the capital market, is part of a long term development strategy, which is based on building lasting professional relationships with investors and the wider capital market. This approach enables the:

- possibility for the company to raise capital from the market in an efficient way,
- assessment of the real value of the company reflected in WSE share price, while keeping the highest possible liquidity of turnover

Bearing in mind our dynamic growth plans, besides using cash resources, WSE intends to raise capital for financing projects via issuance of equity or bonds. Potential decisions concerning sources of capital shall be based each time on the following aspects: cost of raising capital, required balance sheet structure, targeted level of weighted average cost of capital (WACC) and comprehensive market evaluation. Corporate governance and respect for the current WSE shareholders’ and stakeholders’ rights shall be embedded throughout every decision making process.

WSE Management Board shall strive to ensure regular dividend payouts, appropriate to the profitability and financial standing of the company, at the level of 30% - 50% of WSE Group consolidated net profit calculated for the given financial year, with corrections for profits from the associated companies.

WSE Investors Relations shall aim to maintain open communication with the investors, shareholders and stakeholders, both institutional and individual. This shall result in building trust and confidence towards the Stock Exchange and its perception as a leading Polish capital market institution and publicly listed company at the same time. The communication shall be proactive and shall include the fundamental right of investors to updated, transparent and reliable information about the company.

Diagram 3. Pillars constituting WSE operations as a public company



V. **Balanced growth**

WSE bases its business strategy on the highest standards of corporate governance, guaranteeing to bear in mind the needs and expectations of all the main stakeholders (investors, issuers, brokerage houses, shareholders, local communities, employees).

In the adopted Corporate Social Responsibility Strategy for WSE in 2013, the following areas and goals were highlighted, namely: market, education, employees and environment. These areas are key for WSE in terms of its role in the Polish capital market.

- **Market**

Due to its role in the Polish financial market and responsibility for adherence to the highest standards in corporate governance and communication, WSE shall undertake actions targeted at building a responsible corporate culture and attitude among participants of the capital market in Poland.

- **Education**

One of key elements of shaping confidence and trust towards the capital market and its institutions, includes shaping investment culture within the community. These activities need to be aligned with building awareness of how the capital market functions. Education, promotion and communication - related to capital markets – are among statutory goals of WSE.

- **Employees**

The employees of WSE constitute a significant stakeholder group. The significance lies in their unique expertise concerning understanding the capital markets. Human resources management policy will focus on revamping organization culture with special emphasis on professionalism, values, efficient internal communication and constant enhancement of staff competence.

- **Environment**

Sustainability and the protection of the environment is seen by WSE as a crucial part of building company value. It is reflecting our position as a modern and competitive institution on the European capital markets scene. WSE main goal is to minimize its environmental impact via proper management of waste and recyclable materials, limiting paper usage, and efficient water, energy and fuel consumption and reducing CO2 emissions.

WSE promotes corporate governance by constant developing and communicating our document entitled „The best practices of WSE listed companies”. The role of the document is to foster transparency within public listed companies, improving the quality of their investor relations programmes and in turn strengthening the protection of shareholders rights.