

## Information on inducements currently received/provided

(detailed information about inducements received and provided by PPF banka a.s. in connection with the provision of investment services)

In the context of the provision of investment services in relation to certain investment instruments, PPF banka a.s. (the “**Bank**”) may be the provider or recipient of a payment or a fee, or a non-monetary benefit (the “**inducement**”) provided to or received from a third party. The Bank may only receive or provide inducements where the conditions are met, as specified in paragraphs 5.2 and 5.3 of Annex 4 to PPF banka a.s. Investment Services Commercial Terms and Conditions.

Inducements are governed by the following legislation: Act No 256/2004 on the Capital Market Business, as amended; implementing Regulation No 303/2010 on the details of certain rules in the provision of investment services; and the Official Communication of the Czech National Bank of 17 January 2014 on the Conditions of the Admissibility of Inducements in the Distribution of Certain Products in the Financial Market.

The Bank distinguishes the following specific types of inducements:

- 1) **Client inducements**, i.e., those provided by the client or a third party on the client’s behalf, as well as inducements paid by the Bank to the client.

Client inducements include, in particular, any charges, commissions, fees, costs, etc. paid by the client to the Bank on the basis of the PPF banka a.s. Price List of Services or on the basis of a contractual arrangement between the client and the Bank or, on the other hand, those provided by the Bank to clients (e.g., discounts).

- 2) **Operating inducements**, i.e., those facilitating, or essential for, the provision of investment services.

According to the Bank, these inducements include, for example, all costs paid by the Bank to third parties in connection with the provision by the Bank of investment services, including, but not limited to, payments to operators of regulated markets and clearing systems, custodians, depositories, securities traders and banks, payments for audit, accounting and legal services, costs of meeting the obligations to the Czech National Bank (administration charges, costs of the reporting system), contributions to the Securities Traders Guarantee Fund, underwriting fees, postal and other communication charges, including SWIFT charges, Bank fees for maintaining accounts, fees for using paid information services (e.g., Bloomberg), payments for training courses required by legislation (e.g., AML).

- 3) **Other inducements**, i.e., those that are directly or indirectly paid to or received from a third party and are not included in operating inducements.

The Bank’s other inducements may include those provided by issuers of investment instruments to the Bank for ensuring that the investment instruments are issued and subscribed (the level of such inducements usually ranges between 0.1% and 2% *per*

*annum* of the volume of the investment instruments issued and subscribed). The level of the inducement may also be linked to the volume of investment instruments for which the Bank facilitates subscription and sale (the level of such inducements usually ranges between 0.25% and 4% of the volume of the investment instruments subscribed or sold).

Other inducements do not constitute any additional costs for the client beyond the standard charges, commissions, fees and costs referred to under Point 1, Client Inducements above.

More details about inducements are available from the Bank to clients upon request.