

DEFINITION OF TERMS

USED IN THE CONTRACTUAL DOCUMENTATION AND THE CLIENT INFORMATION DOCUMENTATION

1. Definitions

1.1 In the agreements, materials and documents listed in paragraph 2.1 below:

“Account Administrator at CSD” (“Správce účtu v CDCP”)	means an account administrator at the CSD;
“Act on Undertaking on Capital Market” (“Zákon o podnikání na kapitálovém trhu”)	means Act No. 256/2004, on Undertaking Business on the Capital Market, as amended;
“Administration” (“Správa”)	means an obligation of the Dealer to carry out for the Client’s account any and all legal acts needed for the exercise and maintenance of the Client’s rights relating to Investment Instruments, on which the Dealer and the Client have agreed; this does not, however, involve administration of another’s property within the meaning of the Civil Code;
“Another Depository” (“Jiný depozitář”)	means a domestic or foreign securities depository in the relevant market other than the CSD (e.g. the short-term bond system (SKD, Systém krátkodobých dluhopisů) organised by the Czech National Bank; Euroclear);
“Asset Account” (“Majetkový účet”)	means a Securities and/or Investment Instruments account maintained by the Dealer in its banking system, on which the Dealer records Securities and/or Investment Instruments for the Client;
“Authorisation” (“Pověření”)	means authorisation granted by the Client, or potentially the Client’s List of Authorised Parties stating their contact details (in a form acceptable to the Dealer);
“Authorised Administrator” (“Autorizovaný správce”)	means an authorised administrator, custodian or other person maintaining a register of Investment Instruments in the Czech Republic or abroad;
“Authorised Parties” (“Oprávněné osoby”)	means the specific persons who have been authorised in accordance with a respective Client Agreement and the members of a governing body of the Dealer or the Client authorised to conduct communications and represent the Dealer or the Client in the performance of the obligations of the Dealer or the Client under the relevant Client Agreement, i.e. in particular to communicate, submit or change Orders, in the case of a Client, or to conduct communications, accept Orders and give information on their execution, in the case of the Dealer. The list of the Dealer’s Authorised Parties may be Disclosed to the Client via the Internet website as well as by other means;
“Balance Statement” (“Stavový výpis”)	means a statement of the balance of Investment Instruments from the Records kept by the CSD as of a certain date;
“Bank Trading Account” (“Bankovní účet k obchodování“)	means a Client Bank Account to which the Dealer has access and which holds funds that are used in the course of the provision of investment services by the Dealer to the Client;
“CSD” (“CDCP”)	means the Central Securities Depository (Centrální depozitář cenných papírů, a.s.), Company No. 250 81 489, or its legal successor, if any;
“CSD Operational Policy” (“Provozní řád CDCP”)	means the set of rules and regulations for providing CSD services, the current version of which is posted on the internet website at www.cdcp.cz ;

“Change Statement” (“Změnový výpis”)	means a statement containing the same information as a Balance Statement as well as any changes entered in the CSD Records, stating the balance before entry, after entry and the date of entry (Article 27 of the CSD Operational Policy);
“Client” (“Zákazník”)	means a person defined as a Client in the Client Classification Questionnaire, in specific Client Agreements or other documents or materials of the Dealer;
“Client Agreement” (“Zákaznická smlouva”)	means: (a) a Commission Agreement on Provision and Settlement of Transactions with Investment Instruments and an Agreement on Investment Instruments Administration; (b) an Agreement on Safekeeping of Securities; (c) any other contract in which the Dealer undertakes to carry out activities in its own name and for the account of the Client, or in the name and for the account of the Client, aimed at the Provision of Transactions, the Settlement of Transactions, Administration or the Safekeeping of Investment Instruments;
“Client Assets Handling Policy” (“Pravidla nakládání s majetkem Zákazníka”)	means the Client Assets Handling Policy that constitutes an integral part of the Investment Services Terms and Conditions;
“Client Bank Account” (“Bankovní účet Zákazníka”)	means a bank account of the Client specified in the relevant Client Agreement or otherwise specified by the Client and notified to the Dealer in accordance with the Client Agreement and the Investment Services Terms and Conditions;
“CNB” (“ČNB”)	means the Czech National Bank (Česká národní banka), having its registered office at Na Příkopě 28, 115 03 Praha 1;
“Client Classification Questionnaire” (“Dotazník pro účely zařazení zákazníka”)	means a questionnaire presented by the Dealer to the Client in connection with the conclusion of the relevant Client Agreement for the purposes of Client classification in accordance with the Investment Services Terms and Conditions;
“Confidential Information” (“Důvěrné informace”)	means information provided by the contracting parties to each other in connection with the performance of an agreement, except for information denoted as excluded from this protective regime;
“Conflict of Interest” (“Střet zájmů”)	means in particular a conflict of interest or a potential conflict of interest that arises or may arise between the Client or a potential Client and (a) the Dealer, including its senior management, tied agents, staff and Employees of the Dealer, (b) persons controlling the Dealer or controlled by the Dealer or by a person controlled by the same person as the Dealer, or the senior management and tied agents thereof, or (c) other Clients of the Dealer;
“Consideration” (“Úplata”)	means the aggregate of Fees, Charges and all other reasonable Costs;
“Costs” (“Náklady”)	means all other costs reasonably incurred in connection with the Provision of Transactions/Administration of Investment Instruments (including Taxes), with the exception of Charges and/or Taxes, unless their payment is already included in the Fees;
“Client Categorisation Policy” (“Pravidla kategorizace Zákazníka”)	means the Client Categorisation Policy stated in Article 9 of the Investment Services Terms and Conditions;
“Dealer” (“Obchodník”)	means PPF banka a.s., a company having its registered office at Prague 6, Evropská 2690/17, post code: 160 41, Company No.: 47116129, incorporated in the Companies Register of the Municipal Court in Prague, Section B, File 1834;

<p>“Dealer Bank Account” (“Bankovní účet obchodníka”)</p>	<p>means a bank account of the Dealer specified in the relevant Client Agreement or otherwise specified by the Dealer and notified to the Client in accordance with the Client Agreement and the Investment Services Terms and Conditions;</p>
<p>“Deposit” (“Uložení”)</p>	<p>means the obligation of the Dealer to accept Securities from the Client for Safekeeping and Administration;</p>
<p>“Execution only” (“Execution only”)</p>	<p>means the provision of the following investment services: (a) acceptance and transmission of Orders relating to Non-complex Investment Instruments, (b) execution of Orders relating to Non-complex Investment Instruments for the Client’s account; in the manner set out under Section 15k(1) of the Act on Undertaking on Capital Market , i.e. the Client issues the Order at his/her own initiative (i.e. the Client is not responding to any individual offer or communication by the Bank), and the Bank does not assess the Client’s expertise and experience in investments</p>
<p>“Employee of the Dealer” (“Pracovník obchodníka”)</p>	<p>means a person who is employed or is in a similar relationship with the Dealer under a contract of mandate or other similar agreement;</p>
<p>“Execution Policy” (“Pravidla provádění pokynů”)</p>	<p>means the Order Execution Policy constituting an integral part of the Investment Services Terms and Conditions;</p>
<p>“Charges” (“Poplatky”)</p>	<p>mean charges paid by the Dealer to third parties, particularly to Trading Venues, other investment firms, Authorised Administrators, Settlement Systems and Secondary Custodians;</p>
<p>“GBC” (“VOP”)</p>	<p>means the General Business Conditions of PPF banka a.s.;</p>
<p>“Inducement” (“Pobídka”)</p>	<p>means a charge, fee or any non-monetary benefit paid by or to the Dealer;</p>
<p>“Instruction” (“Instrukce”)</p>	<p>means an order of the Client under a Safekeeping Agreement;</p>
<p>“Internet website” (“Internetové stránky”)</p>	<p>means the Dealer’s internet website at www.ppfbanka.cz;</p>
<p>“Investment Instrument” (“Investiční nástroj”)</p>	<p>means an investment instrument under the Act on Undertaking on Capital Market;</p>
<p>“Investment Services Terms and Conditions” (“Obchodní podmínky pro investiční služby”)</p>	<p>means the Terms and Conditions for Investment Services issued by the Dealer as amended from time to time;</p>
<p>“Limit Order” (“Limitní pokyn”)</p>	<p>means an Order to buy or sell an Investment Instrument at its specified price limit or better and/or with a specified volume;</p>
<p>“List of Authorised Parties” (“Seznam Oprávněných osob”)</p>	<p>means a list of the Authorised Parties of the Client stating their contact details, if this list has not yet been replaced by the Client’s current Authorisation at a given time;</p>
<p>“List of Charges and Fees” (“Sazebník”)</p>	<p>means the valid Price List of Services of PPF banka a.s.;</p>
<p>“Multilateral Trading Facility (MTF)” (“Mnohostranný obchodní systém”)</p>	<p>means a multilateral trading facility as defined by the Act on Undertaking on Capital Market;</p>
<p>“Non-complex Investment Instrument” (“Jednoduchý investiční nástroj”)</p>	<p>means any of the investment instruments defined under Section 15k(2) of the Act on Undertaking on Capital Market (including, without limitation, shares and bonds admitted to trading on a European regulated market). A detailed list of</p>

	Non-complex Investment Instruments is provided in the Execution-Only Policy;
“Investment Consultancy” (“Investiční poradenství”)	means a main investment service as defined in Section 4(2)(e) of the Act on Undertaking on Capital Market;
“Order” (“Pokyn”)	means an order (i) for the Provision of a Transaction, (ii) for the Settlement of a Transaction or (iii) for Administration of Investment Instruments, submitted by the Client under and in accordance with the relevant Client Agreement;
“Participant” (“Účastník”)	means a CSD participant within the meaning of Section 109 of the Act on Undertaking on Capital Market;
“Personal Data Protection Act” (“Zákon o ochraně osobních údajů”)	means Act No. 101/2000, on the Protection of Personal Data, as amended;
“Prague Local Time” (“Pražský čas”)	means the time officially valid at a given moment on the territory of the Czech Republic (“Central European Time” or “Summer Time”);
“Price List” (formerly the “List of Charges”) (“Ceník” (dříve též “Sazebník”))	means the Price List of Services of PPF banka a.s., which contains an overview of the charges, prices and fees for Banking Services and acts related to Banking Services,
“Professional Client” (“Profesionální zákazník”)	means a professional client as defined by the Act on Undertaking on Capital Market;
“Provided Information” (“Předané informace”)	means documents and information provided by the Client that the Dealer deems necessary for the provision of services requested by the Client;
“Provision of Transaction” (“Obstarání obchodu”)	means the performance of activities by the Dealer aimed at bringing about, in particular, (i) the purchase or sale of an Investment Instrument, (ii) the loan and return of an Investment Instrument, (iii) a repo transaction using an Investment Instrument, or potentially at achieving the creation of some other contractual relationship involving an Investment Instrument, at the exercise of rights and the performance of obligations arising from such a contractual relationship, as well as the exercise, performance and enforcement of the rights and obligations arising from such a contractual relationship or from another transaction;
“PSC” (“SCP”)	means the Prague Securities Centre – Středisko cenných papírů, Company No.: 481 12 089, whose records have been transferred to the CSD with effect from 7 July 2010;
“PSE” (“BCPP”)	means the Prague Stock Exchange — Burza cenných papírů Praha, a.s., Company No.: 471 15 629, or its legal successor, if any;
“Records” (“Evidence”)	means the central records of securities within the meaning of Section 92 of the Act on Undertaking on Capital Market and separate records of investment instruments within the meaning of Section 93 of the Act on Undertaking on Capital Market;
“Regulated Market” (“Regulovaný trh”)	means a regulated market as defined by the Act on Undertaking on Capital Market;
“Fee” (“Odměna”)	means the contractual fee in accordance with the Special Arrangements on Fees that constitute an annex of the Client Agreement, or if no such annex is agreed by the contracting parties, according to the Price List, unless agreed otherwise between the contracting parties in a specific case;

“Retail Client” (“Neprofesionální zákazník”)	means a Client who is not a professional, as defined by the Act on Undertaking on Capital Market;
“Safekeeping” (“Úschova”)	means separate safekeeping of a Security; if the Dealer uses the services of the CSD as a Secondary Custodian, this shall constitute bulk Safekeeping of Securities;
“SCA” (“PZZ”)	means an internal sub-account “Sub-account for Client’s Advances” maintained by the Dealer;
“Secondary Administrator” (“Druhotný správce”)	means a person appointed by the Dealer as a third-party administrator who has entered into an agreement on the administration of Investment Instruments with the Dealer;
“Secondary Custodian” (“Druhotný schovatel”)	means a person appointed by the Dealer as a third-party custodian, who has entered into an agreement on the safekeeping of Securities or respective Investment Instruments with the Dealer;
“Security” (“Cenný papír”)	means securities within the meaning of the Civil Code, held for Safekeeping under a respective Client Agreement;
“Settlement of Transactions” (“Vypořádání obchodů”)	means an obligation of the Dealer to arrange for the Client and for the Client’s account the settlement of Investment Instrument transactions already made by the Client or by the Dealer or by a third party for the Client’s account;
“Settlement System” (“Vypořádací systém”)	means an entity providing the settlement of transactions involving Investment Instruments (such as the CSD, Euroclear, Clearstream, etc.);
“Special Arrangements on Fees” (“Zvláštní ujednání týkající se Odměny”)	means an annex to the Client Agreement stipulating an agreed fee for the Dealer different from the fee stipulated in the Price List, where applicable;
“Statements” (“Výpisy”)	means statements from the Client’s Asset Account;
“Supervisory Authority” (“Orgán dohledu”)	means the Czech National Bank or any other body competent to carry out supervision and/or oversight on a given market;
“Suspension of Right” (“Pozastavení práva”)	means suspension of the exercise of the owner’s right of disposal over an investment instrument registered in the Records within the meaning of Section 97 of the Act on Undertaking on Capital Market.
“Taxes” (“Daně”)	means any tax, levy, duty, fee or other payment, deduction or withholding of a similar nature (including associated penalties and fines).
“Trading Venue” (“Převodní místo”)	means a trading venue as defined by the Act on Undertaking on Capital Market, i.e.: <ul style="list-style-type: none"> (a) a regulated market, (b) a multilateral trading facility (MTF), (c) a systematic internaliser, (d) dealing on own account by the Dealer or any other authorised party from the same group, (e) a market maker, a specialist in any trading system or venue or persons performing a similar activity, (f) a similar person having its registered office outside the EU;

2. Scope of Application of Definitions

- 2.1 The definitions given in paragraph 1.1 above shall have their respective meanings in the agreements, materials and documents stated below, unless specified otherwise in a particular agreement, material or document:
- (a) in documents for Client classification or determining a Client’s investment profile, specifically in:

- (i) the Client Classification Questionnaire;
- (ii) the Investment Questionnaire;
- (b) in information documents for the Client, specifically in:
 - (i) Information on Risks;
 - (ii) Information describing investment services and listing the main Trading Venues;
- (c) in documents governing the Dealer's conduct and procedures, specifically in:
 - (i) the Execution Policy;
 - (ii) the Client Assets Handling Policy;
 - (iii) the Conflict of Interest Policy;
 - (iv) the Information on Execution Only Regime;
- (d) in contractual documentation between the Dealer and the Client, specifically in:
 - (i) the Investment Services Terms and Conditions;
 - (ii) Client Agreements;
- (e) in other agreements, materials and documents where expressly specified.

2.2 This document does not reflect the terms and definitions used in treasury agreements of PPF banka a.s. (including any Master Agreement for Financial Transactions).