

INFORMATION ON PROVIDED INVESTMENT SERVICES AND INVESTMENT INSTRUMENTS AND ON POSSIBLE RISKS ASSOCIATED WITH PROVISION OF INVESTMENT SERVICES OR INVESTMENT INSTRUMENTS AND ON POSSIBLE SECURITY AGAINST THESE RISKS

PPF Banka a.s. is a legal entity performing activities described in the licence by the Czech National Bank pursuant to Act No. 21/1992 Coll., on banks, as amended, issued to perform main and additional investment services pursuant to s. 4 of the Capital Market Act (hereinafter referred to as the "Capital Market Act").

Based on this licence, PPF Banka a.s. is authorized to provide its customers, with whom it entered into the contractual documentation on provision of investment services, main investment services as follows:

- a) Receipt and delivery of instructions relating to investment instruments
- b) Execution of instructions relating to investment instruments on the customer's account
- c) Trading in investment instruments for own account
- d) Investment advice relating to investment instruments
- e) Underwriting or placement of investment instruments with the obligation to subscribe
- f) Placement of investment instruments without the obligation to subscribe

Based on this licence, PPF Banka a.s. is authorized to provide its customers, with whom it entered into the contractual documentation on provision of investment services, additional investment services as follows:

- a) Safekeeping and administration of investment instruments, including related services
- b) The granting of a credit or a loan to a customer to facilitate trade a transaction in an investment instrument, where the grantor of the credit or loan is involved in the transaction
- c) Advice on capital structure, industrial strategy and related matters, and advice and services relating to the transformation of companies or transfer or undertakings
- d) Provision of investment recommendations and analyses of investment opportunities or similar general recommendations relating to trading in investment instruments
- e) Foreign-exchange services where these are connected with the provision of investment services
- f) Services connected with underwriting in respect of issues or with the placement of investment instruments

PPF Banka a.s. provides investment services for investments instruments defined in s. 3 of the Capital Market Act as follows:

- a) investment securities, mainly as follows:
 - 1st Shares and similar securities representing share in companies or other legal entities
 - 2nd Bonds or similar securities representing right for repayment of due amount
 - 3rd Securities replacing securities specified in paragraphs 1 and 2

- 4th Securities authorizing acquisition or alienation of investment securities specified in paragraphs 1 and 2
- 5th Securities with right for settlement in cash whose amount is based on value of investment securities, foreign-exchange rates, interest rates or interest yields, commodities or financial indices or other quantitative indicators.
- b) Collective investment securities
- c) Instruments normally traded on the monetary market (monetary-market instruments)
- d) Derivatives.

The Capital Market Act defines derivatives as follows:

- 1st Options, futures, swaps, forwards and other instruments whose value is based on rate or value of securities, foreign-exchange rates, interest rates or interest yields and other derivatives financial indices or other quantitative indicators with right for settlement in cash or right for delivery of property value to which its value relates.
- 2nd Instruments allowing transfer of credit risk
- 3rd Financial difference contracts
- 4th Options, futures, swaps, forwards and other instruments whose value is based on commodities and with right for settlement in cash or with right of at least one party to choose or reject settlement in cash, unless the exercise of the right is based on insolvency or other similar impossibility of performance
- 5th Options, futures, swaps and other instruments whose value is based on commodities and with right for delivery of this commodity and that are traded on regulated market in a EU member state or in multi-participant trading system operated by an entity with registered office in a EU member state.
- 6th Options, futures, swaps, forwards and other instruments whose value is based on commodities and with right for delivery of this commodity and that were not given in paragraph 6, are not intended for trading purposes and contain features of other derivative investment instruments, mainly those that are accounted for and settled through settlement system or those containing margin call
- 7th Options, futures, swaps, forwards and other instruments whose value is based on climatic indicators, freight rates, emission permits and/or inflation rate and other economic indicators published by official statistical authorities and with right for settlement in cash or with right of at least one party to choose or reject settlement in cash, unless the exercise of the right is based on insolvency or other similar impossibility of performance
- 8th Instruments whose value relates to property values, rights, obligations, indices and other quantitative indicators and that were not given in paragraph 7, are not intended for trading purposes and contain features of other derivative investment instruments, mainly those that are traded on regulated market in a EU member state or in multi-participant trading system operated by an entity with registered office in a EU member state, that are accounted for and settled through settlement system or those containing margin call

Validity of the licence of PPF Banka s.s. to provide investment services may be checked by the Extract from the Commercial Register, for example, at the website www.justice.cz/or/.

Investments into investment instruments are associated with many general and specific risks. Return and potential yield of each investment depends on risk associated with such investment. Generally, the higher yield of the investment, the higher risk involved. Yields of individual Investment Instruments achieved in the past do not guarantee yields of the same Investment Instrument in the future. The Customer shall acquaint himself with risks of the planned investment to a maximum extent. Should he have any doubts or questions, he should acquaint himself with individual risks of investments into Investment Instruments, or require any additional information from the Trader. Professionally qualified employees of PPF Banka a.s. authorized to provide investment services are obliged to provide the Customer with information on characteristics of individual investment instruments and on risks associated with investments into such investments instruments at the Customer's request.

PPF Banka a.s. prepared an information material called Information on Risks that provides basic information on individual risks associated with investments into investment instruments and information on specific risks associated with investments into derivative investment instruments. PPF Banka a.s. recommends to its Customers to acquaint themselves with this material before they enter into transactions in investment instruments and to contact employees of PPF Banka a.s. for additional information if they have any doubts or they do not understand anything. If the Customer does not fully understand conditions for implementation of trading transactions and extent of potential loss of invested funds or, in some cases, also loss exceeding invested funds, the Customer should not ask the Trader to provide investments services in such investment instruments. PPF Banka a.s. reminds the Customers that it is obliged to reject any orders classified as inadequate to professional knowledge and experience of the Customer.

The Customer should be aware of the fact that for trading in derivatives and instruments using leverage (e.g. futures, options) the risk of loss is not limited by invested funds, but it may exceed this value (i.e. the loss may be higher than volume of invested funds). Regarding the above reasons, investments into derivatives is suitable for Customers with deeper knowledge of capital and financial markets and with relevant experience.

PPF Banka a.s. warns its Customer for possible diversification of risks through investments into various types of assets in the Customer's portfolio. Concrete suggestions for security against risks associated with required investments services will be

provided by PPF Banka a.s. at the Customer's request if the Customer entered into the contractual documentation on provision of investment services.