

**CONFLICT OF INTEREST POLICY**  
**AND GENERAL INFORMATION ON INDUCEMENTS**  
**in PPF banka a.s.**

**1. Definition of Conflict of Interest**

- 1.1. During course of the provision of investment services the Securities Dealer identifies potential conflicts of interest and adopts measures in order to limit their origination; in case a conflict of interests occurs, the Securities Dealer adopts measures aiming at the prevention of negative impact of the conflict on legitimate interests of Clients. Identification of conflict of interest and management of conflict of interest is carried out by the Securities Dealer in the extent specified in the applicable laws.
- 1.2. The conflict of interest 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 Securities Dealer, including its managers;
  - (b) tied agents or employees/staff of the Securities Dealer;
  - (c) managers of tied agents;
  - (d) persons controlling the Securities Dealer;
  - (e) persons controlled by the Securities Dealer; or
  - (f) other Clients of the Securities Dealer.

**2. Identification of Conflict of Interest**

- 2.1. The Securities Dealer takes necessary steps aiming at the identification of potential conflict of interest in accordance with paragraph 1.1.
- 2.2. For the purposes of identification of potential conflict of interest in the course of the provision of an investment service the Securities Dealer takes into account mainly whether any of persons mentioned in paragraph 1.2:
- (a) may gain financial profit or avoid financial loss to the detriment of the Client;
  - (b) has a different interest in the result of an investment service provided to the Client or in the result of a transaction carried out in the Client's name than is the interest of the Client;
  - (c) is motivated to give preference to interests of a certain Client over interests of another Client;
  - (d) conducts business in the same field as the Client.
- 2.3. For the purposes of transparency of the identification of conflict of interest the Securities Dealer keeps records of conflicts of interest according to applicable legal regulations.

### **3. Management of Conflict of Interest**

- 3.1. The Securities Dealer has introduced the following measures in order to prevent or limit the risk of origination of conflict of interest:
- (a) organizational measures securing separation of persons handling Client Orders from persons carrying out settlement of Client Orders;
  - (b) “four eyes” principle, where implementation of the defined services and disposal of Client’s assets can only be carried out by two cooperating persons;
  - (c) setting a system of remuneration of Securities Dealer’s employees [and of persons with whom the Securities Dealer cooperates (e.g. tied agents)], in which there is no direct link between the remuneration of an employee [or a person with whom the Securities Dealer cooperates] and provision of particular services to the Client;
  - (d) introduction of rules for personal transactions of Securities Dealer’s employees and relevant persons of the Securities Dealer;
  - (e) introduction of Clients’ Orders Handling Policy (part of the Execution Policy) and a specific procedure for aggregation of Orders.
- 3.2. The Securities Dealer ensures impartiality and independence of persons who are involved the creation of investment analyses, particularly from persons whose interests may be in conflict with interests of persons to whom the analysis of investment opportunities is to be distributed.

### **4. Procedure in Case of Conflict of Interest**

- 4.1. If it is not possible for the Securities Dealer to prevent the conflict of interest in a particular case, it shall alert the Client of this fact and it shall particularly disclose the nature or source of the potential conflict of interest to the Client.
- 4.2. The Securities Dealer is obliged to provide information under paragraph 4.1 prior to the provision of the investment service concerned.
- 4.3. Information under paragraph 4.1 shall be disclosed in an appropriate method of communication as described in the Investment Services Terms and Conditions.
- 4.4. In the event that conflict of interest between the Securities Dealer and the Client cannot be avoided, the Securities Dealer shall always give preference to the Client’s interest over its own interest. In the event of conflict of interest between Clients the Securities Dealer shall ensure fair treatment.

## 5. General Information on Inducements and Their Admissibility

- 5.1. In connection with the provision of an investment service, the Securities Dealer may accept an Inducement from a third person or provide it to a third Party.
- 5.2. The Securities Dealer shall not provide or accept an Inducement unless following conditions are met:
  - (a) acceptance or provision of the Inducement does not contradict the Securities Dealer's duty to act professionally, honestly and fairly in accordance with the best interests of the Client;
  - (b) there is no risk of conflict of interest arising as a result of acceptance or provision of the Inducement (in the extent mentioned in this Conflict of Interest Policy); and
  - (c) acceptance or provision of the Inducement results in the improvement of quality of the service provided to the Client.
- 5.3. Also those Inducements are admissible that are necessary for the provision of an investment service, but only in case that their provision or acceptance do not contradict the Securities Dealer's duty to act with professional due care and in the best interest of the Client.
- 5.4. Specific information concerning the Inducement in relation to an individual investment service provided and the relevant Investment Instrument shall be given by the Securities Dealer to the Client prior to the commencement of the provision of such investment service. This information shall particularly disclose the existence, nature and amount or value of the Inducement. Current information on particular Inducements is available at Securities Dealer's website [www.ppfbanka.cz](http://www.ppfbanka.cz).
- 5.5. In case specific amount or value of an Inducement cannot be determined in advance the information concerning amount or value of a particular Inducement under this Article shall contain the manner of the calculation of amount or value of a particular Inducement (expressed e.g. in %, by a formula or specification of the manner of calculating the Incentive amount).
- 5.6. Detailed information concerning Inducements in relation to particular investment services and Investment Instruments, beyond the scope of such information under this Article (particularly par. 5.4), shall be communicated by the Securities Dealer to the Client only upon the Client's request.