

## DEFINITION OF TERMS

### USED IN THE CONTRACTUAL DOCUMENTATION AND THE CLIENT INFORMATION DOCUMENTATION

#### PPF banka a.s.

With the registered office at Prague 6, Evropská 2690/17, post code: 160 41, Company identification No.: 47116129

Registered in the Commercial Register maintained with the Municipal Court in Prague, Section B, Insert 1834

#### 1. Definitions

1.1. In the contracts, materials and documents listed in section 2.1 below:

<b>“Account Administrator at CDS”</b> (“Správce účtu v CDCP”)	means the registration of the account administrator at CDS in the meaning of Section 36(5) of the Securities Act;
<b>“Act on Undertaking on Capital Market”</b> (“Zákon o podnikání na kapitálovém trhu”)	means the Act No. 256/2004 Coll., on Undertaking on Capital Market, as amended;
<b>“Administration of Securities”</b> (“Správa cenných papírů”)	means an obligation of the Securities Dealer to carry out on the account of the Client any and all legal acts needed for the execution and maintenance of the Client’s rights relating to the Securities, on which the Securities Dealer and Client have agreed;
<b>“Another Depository”</b> (“Jiný depozitář”)	means a securities depository in the Czech Republic or abroad for the relevant market other than the CDS (e.g. short-term bond system SKD (Systém krátkodobých dluhopisů) managed by the Czech National Bank, Euroclear);
<b>“Asset Account”</b>	means Securities account administered by the Securities Dealer in its banking system, on which the

( <b>”Majetkový účet”</b> )	Securities Dealer registers the Securities on behalf of the Client;
<b>“Authorized Administrator”</b> ( <b>“Autorizovaný správce”</b> )	means an authorized administrators, custodian or other person maintaining the register of Investment Instruments in the Czech Republic or abroad;
<b>“Authorized Persons”</b> ( <b>“Oprávněné osoby”</b> )	means the persons specified in an annex to the relevant Client Agreement and the members of a statutory body of the Securities Dealer or the Client authorized to communicate and act on behalf the Securities Dealer or the Client during the fulfilment of the obligations of the Securities Dealer or the Client under the relevant Client Agreement, i.e. in particular to communicate, give or change Orders, in case of the Client, or communicate, accept Orders and give information on their execution, in case of the Securities Dealer;
<b>“Balance Statement”</b> ( <b>“Stavový výpis”</b> )	means the balance statement of Investment Instruments from the Records kept by the CDS as of a certain date;
<b>“CDS”</b> ( <b>“CDCP”</b> )	means the Central Depository of Securities (Centrální depozitář cenných papírů, a.s.), company identification No. 250 81 489, or eventually its legal successors;
<b>“CDS Operational Policy”</b> ( <b>“Provozní řád CDCP”</b> )	means the set of rules and conditions for providing CDS services, the current version of which is posted on the internet website at <a href="http://www.centralnidepozitar.cz">www.centralnidepozitar.cz</a> ;
<b>“Change Statement”</b> ( <b>“Změnový výpis”</b> )	means a statement containing the same information as the Balance Statement and also data expressing the changes made in the Records at CDS with indication of the balance before entry, after entry and the date of entry (Article 27 of the CDS Operational Policy);
<b>“Client”</b> ( <b>“Zákazník”</b> )	means a person defined as Client in the Client Classification Questionnaire, in specific Client Agreements or other documents or materials of the Securities Dealer;

<p><b>“Client Agreement”</b>  <b>(“Zákaznická smlouva”)</b></p>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) Mandatory Contract on Provision of Transactions in Money-Market Instruments;</li> <li>(b) Mandatory Contract on Provision Transactions in Investment Instruments;</li> <li>(c) Agreement on Investment Consulting,</li> <li>(d) Agreement on investment Consulting and Provision of Transactions with Investment Instrument,</li> <li>(e) Commission Agreement,</li> <li>(f) Agreement on Safekeeping and/or Management and/or Deposition of Securities;</li> <li>(g) Advisory (Consultancy) Services Agreement,</li> <li>(h) Brokerage (Mandatory) Contract on Soliciting Issuance of Security, or</li> <li>(i) any other contract whereby the Securities Dealer binds itself in its name and on the account of the Client or in the name and on the account of the Client to carry out activity aimed at Provision of Transactions in Investment Instruments;</li> </ul>
<p><b>“Client’s Assets Handling Policy”</b>  <b>(“Pravidla nakládání s majetkem Zákazníka”)</b></p>	<p>means the Client’s Assets Handling Policy that constitutes an integral part of the Investment Services Terms and Conditions;</p>
<p><b>“Client Bank Account”</b>  <b>(“Bankovní účet Zákazníka”)</b>  <b>“CNB”</b></p>	<p>means a bank account of the Client specified in the relevant Client Agreement or otherwise determined by the Client and announced to the Securities Dealer in accordance with the Client Agreement and the Investment Services Terms and Conditions;</p> <p>Czech National Bank (Česká národní banka, having its registered office at Na Příkopě 28, 115 03 Praha 1;</p>
<p><b>“Commercial Code”</b>  <b>(“Obchodní zákoník”)</b></p>	<p>means the Act No. 513/1991 Coll., Commercial Code, as amended;</p>
<p><b>“Confidential Information”</b>  <b>(“Důvěrná informace”)</b></p>	<p>means information provided by the contractual parties to each other in connection with the performance of a given agreement, except for information denoted as excluded from this protective regime;</p>
<p><b>“Conflict of Interest”</b></p>	<p>the Conflict of Interest Policy that constitutes an integral part of the Investment Services Terms and</p>

<b>Policy”</b> (“Pravidla omezení střetu zájmů”)	Conditions;
<b>“Conflict of Interest”</b> (“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 <ul style="list-style-type: none"> <li>(a) the Securities Dealer, including its managers,</li> <li>(b) tied agents or employees of the Securities Dealer,</li> <li>(c) managers of tied agents,</li> <li>(d) persons controlling the Securities Dealer,</li> <li>(e) persons controlled by the Securities Dealer, or</li> <li>(f) other Clients of the Securities Dealer;</li> </ul>
<b>“Consideration”</b> (“Úplata”)	means the aggregate of the Remuneration for the Securities Dealer, Fees paid to third parties (particularly to Authorized Administrators, Settlement Systems, Secondary Depositories etc.) and all other reasonable Costs incurred in connection with Provision of Transaction, unless their payment is included in the Remuneration;
<b>“Consultancy Services”</b> (“Poradenské služby”)	means in particular: <ul style="list-style-type: none"> <li>(a) identification and determination of Client objectives and the key factors of the transaction,</li> <li>(b) financial analysis of the transaction and its valuation,</li> <li>(c) organizing of and advising on the selection of a legal, accounting or other specialized advisor,</li> <li>(d) organization of preliminary due diligence by the Securities Dealer, a legal and an accounting advisor,</li> <li>(e) indicative valuation of the subject of transaction,</li> <li>(f) identification of potential investors, elaboration and presentation of the list of investors in a written form,</li> <li>(g) designing the structure of the transaction,</li> <li>(h) elaboration and delivery of an information memorandum describing the structure of the transaction and the condition of the Client,</li> <li>(i) in cooperation with a legal advisor, drafting the terms and conditions of and preparing materials</li> </ul>

for a tender for investor,

- (j) organization of the tender, in particular addressing investors, distributing relevant materials, organizing visits of investors with the Client, assisting the Client in analyzing and assessing investor offers, selecting investors for the second round of the tender,
- (k) preparation and organization of due diligence of the selected investors, in particular presentation of written documents regarding the preparation of due diligence (areas of presented information), provision of assistance to legal advisors in preparing due diligence, preparation of Data Room, preparation of the presentation of the management to the selected investors,
- (l) drafting the criteria for the final selection of investor/investors,
- (m) assisting specialized advisors in the preparation of transaction-related documentation,
- (n) representing the Client at negotiations on the terms and conditions of the transaction with the selected investor/investors, and
- (o) other services within the complex financial consultancy depending on the needs emerging in connection with the implementation of the transaction and according to Client requirements approved by the Securities Dealer;

**“Costs”**

(“Náklady”)

all other costs reasonably expended in connection with Soliciting of Transactions/Management of Securities, except for the Fees, unless their payment is already included in the Remuneration;

**“Client Categorisation Policy”**

The Client Categorisation Policy that constitutes an integral part of the Investment Services Terms and Conditions;

(“Pravidla kategorizace Zákazníka”)

**“Deposit of Securities”**

(“Uložení cenných papírů”)

means the obligation of the Securities Dealer to accept certificated securities from the Client for safekeeping and administration;

**“Direct Investment Service”** means:

(“Přímá investiční služba”)

- (a) accepting and transmission of Orders relating to Non-complex Investment Instruments,
- (b) execution of Orders relating to Non-complex Investment Instruments on the Client’s account;

<p><b>“Employee of the Securities Dealer”</b>  <b>(“Pracovník obchodníka”)</b></p>	<p>means a person who is in an employment or a similar relation with the Securities Dealer based on a mandatory or other similar contract;</p>
<p><b>“Execution Policy”</b>  <b>(“Pravidla provádění pokynů”)</b></p>	<p>the Execution Policy that constitutes an integral part of the Investment Services Terms and Conditions;</p>
<p><b>“Fees”</b>  <b>(“Poplatky”)</b></p>	<p>fees paid by the Securities Dealer to third Parties, particularly to Authorized Administrators, Settlement Systems, Secondary Custodians, Secondary Depositors;</p>
<p><b>“GBC”</b>  <b>(“VOP”)</b></p>	<p>means the General Business Conditions of PPF banka a.s.;</p>
<p><b>“Inducement”</b>  <b>(“Pobídka”)</b></p>	<p>means a fee, remuneration or non-pecuniary compensation accepted or provided by the Securities Dealer;</p>
<p><b>“Instruction to Settlement”</b>  <b>(“Instrukce k vypořádání”)</b></p>	<p>an order to settle a transaction in Investment Instruments given by the Client to the Securities Dealer based on which the Securities Dealer shall arrange for the Client the settlement of Investment Instrument transactions already entered into by the Client or by the Securities Dealer or a third party on the account of the Client;</p>
<p><b>“Instruction”</b>  <b>(“Instrukce”)</b></p>	<p>an order under the Administration Agreement, Deposit Agreement and Safekeeping Agreement;</p>
<p><b>“Internet website”</b>  <b>(“Internetová adresa”)</b></p>	<p>means the internet website of the Securities Dealer at the address <a href="http://www.ppfbanka.cz">www.ppfbanka.cz</a>;</p>
<p><b>“Investment Instrument”</b>  <b>(“Investiční nástroj”)</b></p>	<p>means</p> <ul style="list-style-type: none"> <li>(a) an investment instrument as defined by the Act on Undertaking on Capital Market;</li> <li>(b) for the purposes of the Mandatory Contract for Provision of Transactions in Investment and Money-Market Instruments, it means also deposits and short-term credits (loans);</li> </ul>
<p><b>“Investment Services Terms and Conditions”</b>  <b>(“Obchodní podmínky”)</b></p>	<p>means the Terms and Conditions for Investment Services, as amended, issued by the Securities Dealer;</p>

“KOBOS”	means a continuous exchange trading system on the market organized by the PSE;
“Limit Order” (“Limitní pokyn”)	means an Order for the arrangement of purchase or sale of the Investment Instrument, in which a limit on price and/or volume is determined;
“List of Authorized Persons” (“Seznam Oprávněných osob”)	means a list of Authorized Persons of the Client and a list of Authorized Persons of the Securities Dealer containing their contact information;
“List of Charges and Rates” (“Sazebník”)	means a valid Pricelist of Services of PPF banka a.s.;
“Multilateral Trading Facility (MTF)” (“Mnohostranný obchodní systém”)	means a multilateral trading facility as defined by the Act on Undertaking on Capital Market;
“Investment Consulting” (“Investiční poradenství”)	means the main investment service as defined in Section 4(2)(e) of the Act on Undertaking on Capital Market;
“Order to Provide Purchase or Sale of Investment Instrument” („Pokyn k obstarání nákupu nebo prodeje Investičního nástroje“)	means an order to procure (i) the purchase or the sale of Investment Instrument, (ii) the loan and return of Investment Instrument, (iii) a repurchase (repo) transaction using Investment Instrument;
“Order” (“Pokyn”)	means a Client Order to provide Purchase or Sale of Investment Instrument and/or a Client Instruction to Settlement that (i) complies in its form and content with the Client Agreement or the Investment Services Terms and Conditions, (ii) was handed over to the Securities Dealer in accordance with the Client Agreement or the Investment Services Terms and Conditions, and (iii) its fulfilment is not in conflict with generally binding legal regulations and/or regulations of the market where the transaction is to be Provided, and/or with any administrative or judicial decision binding for the Client and/or the Securities

	Dealer;
“Participant” (“Účastník”)	means the CDS participant in the meaning of Section 109 of the Act on Undertaking on Capital Market;
“Personal Data Protection Act” (“Zákon o ochraně osobních údajů”)	means the Act No. 101/2000 Coll., on the Protection of Personal Data, as amended;
“Prague Local Time” (“Pražský čas”)	means time officially valid at a given moment on the territory of the Czech Republic (“Central European Time” or “Summer Time”);
“Pricelist” (formerly the “List of Charges”) („Ceník“ (dříve též „Sazebník“))	means the Pricelist of Services of PPF banka a.s., which contains an overview of the fees, prices and remunerations 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 are in the Securities Dealer’s opinion necessary for the provision of Client-requested services;
“Provision Transaction” (“Obstarání obchodu”)	of means performance of activities by the Securities Dealer with the aim to execute in particular (i) the purchase or sale of Investment Instrument, (ii) a loan and return of Investment Instrument, (iii) a repurchase transaction using Investment Instrument, (iv) settlement of an already concluded transaction in Investment Instrument on the Client’s account by a third party or by the Client itself, or possibly with the aim to give rise to other contractual legal relation the subject-matter of which relates to Investment Instrument, or the fulfilment of rights and obligations arising from such contractual relation, as well as the fulfilment and enforcement of the rights and obligations arising from such contractual relation in case of other transaction.
“PSC” (“SCP”)	means the Prague Securities Centre – Středisko cenných papírů, company identification No.: 481 12 089, whose records are transferred to the CDS with effect from 7 July 2010;



“PSE” (“BCPP”)	means the Prague Stock Exchange — Burza cenných papírů Praha, a.s., company identification No.: 471 15 629, or eventually its legal successors;
“Records” (“Evidence”)	means the central security records in the meaning of Section 92 of the Act on Undertaking on Capital Market and the independent records of investment instruments in 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;
“Remuneration” (“Odměna”)	a contractual reward in accordance with the Special Arrangements on Remuneration that constitute an annex of the Client Agreement, or if no such annex is agreed by the parties, according to the Pricelist, unless agreed otherwise between the contracting parties in a specific case;
“Retail Client”	means a Client who is not a professional, as defined by the Act on Undertaking on Capital Market;
(“Neprofesionální zákazník”)	
“RMS”	means RM-Systém a.s., company identification No.: 471 16 404, or possibly its legal successors;
“Safekeeping of Securities” (“Úschova cenných papírů”)	means the obligation of the Securities Dealer to take over from the Client a certificated security to be held in separate custody; if the Securities Dealer uses the services of CDS as a Secondary Custodian, this shall constitute the bulk safekeeping of certificated Securities;
“SCA”	means Subaccount for Client’s Advances opened with the Securities Dealer;
“Secondary Administrator” (“Druhotný správce“)	means in particular the person who was appointed by the Securities Dealer as another administrator and who entered with the Securities Dealer into an arrangement on the administration of Securities;
“Secondary Custodian” (“Druhotný schovatel”)	means a person who was appointed by the Securities Dealer as another custodian and who entered with the Securities Dealer into an arrangement on the safekeeping of Securities;
“Secondary Depository” (“Druhotný opatrovatel”)	means a person who was appointed by the Securities Dealer as another depository and who entered with the Securities Dealer into an arrangement on the deposition of Securities;
“Securities Act”	means the Act No. 591/1992 Coll., on Securities, as amended;

<p>(“Zákon o cenných papírech”)  “Security”  (“Cenný papír”)</p>	<p>Means  (i) an investment security as defined in the Act on Undertaking on Capital Market;  (ii) for the purposes of agreement on safekeeping, agreement on administration, and eventually the agreement on deposit, also security as defined in the Securities Act;</p>
<p>“Securities Dealer”  (“Obchodník”)</p>	<p>means PPF banka a.s., company having its registered office at Prague 6, Evropská 2690/17, post code: 160 41, company identification No.: 47116129, incorporated in the Companies Register kept by the Municipal Court in Prague, Section B, Insert 1834;</p>
<p>“Securities Dealer Bank Account”  (“Bankovní účet obchodníka”)</p>	<p>means a bank account of the Securities Dealer specified in the relevant Client Agreement or otherwise determined by the Securities Dealer and announced to the Client in accordance with the Client Agreement and the Investment Services Terms and Conditions;</p>
<p>“Settlement of Transactions”  (“Vypořádání obchodů”)</p>	<p>means an obligation of the Securities Dealer to arrange for the Client and on the Client’s account the settlement of Investment Instrument transactions already entered into by the Client or by the Securities Dealer or a third party on the Client’s account;</p>
<p>“Settlement System”  (“Vypořádací systém”)</p>	<p>means an entity providing the settlement of Investment Instrument transactions (such as UNIVYC, Euroclear, Clearstream etc.);</p>
<p>“SPAD”</p>	<p>means the System for support of trading of shares and bonds on the market operated by the PSE;</p>
<p>“Special Arrangements on Remuneration”  („Zvláštní ujednání týkající se Odměny“)</p>	<p>means the annex of the Client Agreement containing a contractual remuneration for the Securities Dealer different from the remuneration stipulated in the Pricelist;</p>
<p>“Statements”  (“Výpisy”)</p>	<p>means statements of the Client’s Asset Account;</p>
<p>“Supervisory Authority”  (“Orgán dohledu”)</p>	<p>means the Czech National Bank or other body competent to carry out oversight and/or supervision on a given market;</p>
<p>“Suspension of Right”</p>	<p>Suspension of exercising of the owner’s right to dispose of an investment instrument registered in the</p>

(„Pozastavení práva“)	Records in the meaning of Section 97 of the Act on Undertaking on Capital Market.
“Trading Bank Account” („Bankovní účet k obchodování“)	means a Client’s Bank Account with access set up for the Securities Dealer and which contains funds that are used in course of provision of the investment services by the Securities Dealer to the Client;
“Trading Venue” (“Převodní místo”)	means a trading venue as defined by the Act on Undertaking on Capital Market, i.e.: (a) a regulated market, (b) a multilateral trading facility (MTF), (c) a Securities Dealer who carries out systematic internalization, (d) dealing on own account of the Securities Dealer or other authorized person 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 based outside the EU;
“UNIVYC”	means UNIVYC, a.s., which was renamed Centrální depozitář cenných papírů, a.s. (CDCP) as of 4 September 2009.

## 2. Scope of Application of Definitions

2.1. The definitions given in section 1.1 above shall have their respective meaning in the agreements, materials and documents named below, unless stipulated otherwise in any specific agreement, material or document:

- (a) in documents for Client classification, specifically in:
  - (i) Client Classification Rules;
  - (ii) Client Classification Questionnaire;
  - (iii) Information on Client Classification;
  - (iv) Application for Change of Client Classification;
- (b) in information documents for the Client, specifically in:
  - (i) Investment Questionnaire;
  - (ii) Information on Risks;

- (iii) Information on Service(s) Provided;
- (c) in documents regulating Securities Dealer's conduct and procedure, specifically in:
  - (i) Execution Policy;
  - (ii) Client's Assets Handling Policy;
  - (iii) Conflict of Interest Policy;
- (d) in contractual documentation between the Securities Dealer and the Client, specifically in:
  - (i) Investment Services Terms and Conditions;
  - (ii) Client Agreements;
- (e) in other agreements, materials and documents which explicitly stipulate so.