



DEFINITION OF TERMS

USED IN THE CONTRACTUAL DOCUMENTATION AND THE CLIENT INFORMATION DOCUMENTATION¹

PPF banka a.s.

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

Registered in the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 1834

1. Definitions

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

“Account Administrator at CDS” means the registration of the account administrator at CDS in the meaning of Section 36par. 5 of the Securities Act;

(“Správce účtu v CDCP”)

“Act on Undertaking on Capital Market” means the Act No. 256/2004 Coll., on Undertaking on Capital Market, as amended;

(“Zákon o podnikání na kapitálovém trhu”)

“Administration” means an obligation of the Dealer to carry out to the account of the Client any and all legal acts needed for the execution and maintenance of the Client’s rights relating to the Investment Instruments, on which the Dealer and Client have agreed;

(“Správa”)

“Another Depository” means a domestic or foreign securities depository in the relevant market other than the CDS (e.g. short-term bond system

¹ This dokument does not take into account the terms and definitions stated in treasury agreements of PPF banka a.s.

“Jiný depozitář”	SKD (Systém krátkodobých dluhopisů) managed by the Czech National Bank, Euroclear);
“Asset Account”	means Securities and/or Investment Instruments account maintained by the Dealer in its banking system, on which the
“Majetkový účet”	Dealer registers the Securities and/or Investment Instruments for the Client;
“Authorized Administrator”	means an authorized administrator, custodian or other person maintaining the register of Investment Instruments in the Czech Republic or abroad;
“Autorizovaný správce”	
“Authorized Persons”	means the persons specified in an annex to the relevant Client Agreement and the members of a statutory body of the Dealer or the Client authorized to communicate and act on behalf the Dealer or the Client during the fulfilment 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 case of the Client, or communicate, accept Orders and give information on their execution, in case of the Dealer;
“Oprávněné osoby”	
“Balance Statement”	means the statement of balance of Investment Instruments from the Records kept by the CDS as of a certain date;
“Stavový výpis”	
“Bank Trading Account”	means a Client’s Bank Account with access set up for the Dealer and which contains funds that are used in course of provision of the investment services by the Dealer to the Client;
“Bankovní účet k obchodování”	
“CDS”	means the Central Depository of Securities (Centrální depozitář cenných papírů, a.s.), company identification No. 250 81 489, or eventually its legal successor;
“CDCP”	
“CDS Operational Policy”	means the set of rules and conditions for providing CDS services, the current version of which is posted on the internet website at www.centralnidepozitar.cz ;
“Provozní řád CDCP”	
“Change Statement”	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);
“Změnový výpis”	
“Client”	means a person defined as Client in the Client Classification Questionnaire, in specific Client Agreements or other documents or materials of the Dealer;
“Zákazník”	

“Client Agreement” (“Zákaznická smlouva”)	<p>means:</p> <ul style="list-style-type: none"> (a) Commission Agreement on Provision and Settlement of Transactions with Investment Instruments and on Investment Instruments Administration; (b) Mandate Agreement on Provision and Settlement of Transactions with Investment Instruments and on Investment Instruments Administration; (c) Commission Agreement on Settlement of Transactions with Investment Instruments and on Investment Instruments Administration; (d) Mandate Agreement on Settlement of Transactions with Investment Instruments and on Investment Instruments Administration (e) Agreement on Investment Consulting, (f) Agreement on Investment Consulting and Provision of Transactions with Investment Instrument, (g) Agreement on Safekeeping and/ Deposit of Securities; (h) Consultancy Services Agreement, (i) Mandate Agreement on Provision of Issuance of Security, or (j) any other contract whereby the 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 activities aimed at Provision of Transactions with Investment Instruments;
“Client Assets Handling Policy” (“Pravidla nakládání s majetkem Zákazníka”)	<p>means the Client Assets Handling Policy that constitutes an integral part of the Investment Services Terms and Conditions;</p>
“Client Bank Account” (“Bankovní účet Zákazníka”)	<p>means a bank account of the Client specified in the relevant Client Agreement or otherwise determined by the Client and announced to the Dealer in accordance with the Client Agreement and the Investment Services Terms and Conditions;</p>
“CNB”	<p>Czech National Bank (Česká národní banka, having its registered office at Na Příkopě 28, 115 03 Praha 1;</p>
“Client Classification Questionnaire”	<p>Means a questionnaire presented by the Dealer to the Client in connection with the conclusion of a relevant Client Agreement for the purposes of Client Classification in accordance with the Investment Services Terms and Conditions;</p>

**(Dotazník pro účely
zařazení zákazníka)**

“Commercial Code”

(“Obchodní zákoník”)

**“Confidential
Information”**

(“Důvěrná informace”)

**“Conflict of Interest
Policy”**

**(“Pravidla omezení střetu
zájmů”)**

“Conflict of Interest”

(“Střet zájmů”)

means the Act No. 513/1991 Coll., Commercial Code, as amended;

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;

the Conflict of Interest Policy that constitutes an integral part of the Investment Services Terms and Conditions;

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 managers,
- (b) tied agents or employees of the Dealer,
- (c) managers of tied agents,
- (d) persons controlling the Dealer,
- (e) persons controlled by the Dealer, or
- (f) other Clients of the Dealer;

“Consideration”

(“Úplata”)

means the aggregate of the Remuneration, Fees and all other purposefully exerted Costs;

“Consultancy Services”

(“Poradenské služby”)

means in particular:

- (a) identification and determination of Client objectives and the key factors of the transaction,
- (b) financial analysis of the transaction and its valuation,
- (c) organizing of selection and advising on the selection of a legal, accounting or other specialized advisor,
- (d) organization of preliminary due diligence by the Dealer, a legal and an accounting advisor,
- (e) indicative valuation of the subject of transaction,
- (f) identification of potential investors, elaboration and delivery of the list of investors in a written form,

- (g) drafting the structure of the transaction,
- (h) elaboration and delivery of an information memorandum describing the structure of the transaction and the condition of the Client,
- (i) in cooperation with a legal advisor, drafting the terms and conditions and preparing materials 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 Dealer;

“Costs”

(“Náklady”)

“Client Categorization Policy”

(“Pravidla kategorizace Zákazníka”)

“Dealer”

(“Obchodník”)

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

The Client Categorization Policy stated in the Article 9 of the Investment Services Terms and Conditions;

means PPF banka a.s., company having its registered office at Prague 6, Evropská 2690/17, post code: 160 41, company identification No.: 47116129, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 1834;

“Dealer Bank Account” (“Bankovní účet obchodníka”)	means a bank account of the Dealer specified in the relevant Client Agreement or otherwise determined by the Dealer and announced to the Client in accordance with the Client Agreement and the Investment Services Terms and Conditions;
“Deposit” (“Uložení”)	means the obligation of the Dealer to hand over certificated Securities from the Client for Safekeeping and Administration;
“Direct Investment Service” (“Přímá investiční služba”)	means: (a) accepting and transfer of Orders relating to Non-complex Investment Instruments, (b) execution of Orders relating to Non-complex Investment Instruments to the Client’s account;
“Employee of the Dealer” (“Pracovník obchodníka”)	means a person who is in an employment or a similar relation with the Dealer based on a mandate or other similar agreement;
“Execution Policy” (“Pravidla provádění pokynů”)	the Execution Policy that constitutes an integral part of the Investment Services Terms and Conditions;
“Fees” “Poplatky”	fees paid by the Dealer to third parties, particularly to Trading Venues, other Securities Dealers, Authorized Administrators, Settlement Systems, Secondary Custodians and Secondary Depositors;
“GBC” (“VOP”)	means the General Business Conditions of PPF banka a.s.;
“Inducement” (“Pobídka”)	means a fee, remuneration or non-pecuniary compensation accepted or provided by the Dealer;
“Instruction” (“Instrukce”)	an order of the Client under the Safekeeping Agreement;
“Internet website” (“Internetové stránky”)	means the internet website of the Dealer at the address www.ppfbanka.cz ;
“Investment Instrument” (“Investiční nástroj”)	means an investment instrument under the Act on Undertaking on Capital Market, it also means deposits, short-term credits and operations on Foreign Exchange Market;
“Investment Services”	means the Terms and Conditions for Investment Services issued by the Dealer;

Terms and Conditions”

(“Obchodní podmínky pro investiční služby”)

“KOBOS”

means a continuous trading system on the market organized by the PSE;

“Limit Order”

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;

(“Limitní pokyn”)

“List of Authorized Persons”

means a list of Authorized Persons of the Client and a list of Authorized Persons of the Dealer containing their contact information;

(“Seznam Oprávněných osob”)

“List of Charges and Rates”

means a valid Pricelist of Services of PPF banka a.s.;

(“Sazebník”)

“Multilateral Trading Facility (MTF)”

means a multilateral trading facility as defined by the Act on Undertaking on Capital Market;

(“Mnohostranný obchodní systém”)

“Investment Consultancy”

means the main investment service as defined in Section 4 par. 2 letter e) of the Act on Undertaking on Capital Market;

(“Investiční poradenství”)

“Order”

Means an order to provide (i) the Provision of Transaction, (ii) Settlement of Transaction or (iii) Administration of Investment Instruments submitted by the Client on the basis and in accordance with the relevant Client Agreement;

(“Pokyn”)

“Participant”

means the CDS participant in the meaning of Section 109 of the Act on Undertaking on Capital Market;

(“Účastník”)

“Personal Data Protection Act”

means the Act No. 101/2000 Coll., on the Protection of Personal Data, as amended;

(“Zákon o ochraně osobních údajů”)

“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 Dealer’s opinion necessary for the provision of Client-requested services;
“Provision Transaction” (“Obstarání obchodu”)	of means performance of activities by the 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 repo transaction using 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 successor;
“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”)	Means 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 contracting 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”)	
“Safekeeping” (“Úschova”)	means an independent safekeeping of a certificated Security, if the Dealer uses the services of CDS as a Secondary Custodian, this shall constitute the bulk Safekeeping of certificated Securities;
“SCA”	means an analytical internal account “Subaccount for Client’s Advances” maintained by the Dealer;
“PZZ”	
“Secondary Administrator”	means in particular the person who was appointed by the Dealer as another administrator and who entered with the Dealer into an arrangement on the administration of Securities;
(“Druhotný správce“)	
“Secondary Custodian” (“Druhotný schovatel”)	means a person who was appointed by the Dealer as another custodian and who entered with the Dealer into an arrangement on the safekeeping of Investment Instruments;
“Secondary Depository” (“Druhotný opatrovatel”)	means a person who was appointed by the Dealer as another depository and who entered with the Dealer into an arrangement on the deposition of Securities or Investment Instruments;
“Securities Act” (“Zákon o cenných papírech”)	means the Act No. 591/1992 Coll., on Securities, as amended;
“Security” (“Cenný papír”)	Means certificated Securities pursuant to the Securities Act, which are the subjects of Safekeeping or Deposit in accordance with the relevant Client Agreement;
“Settlement of Transactions” (“Vypořádání obchodů”)	means an obligation of the 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 Dealer or a third party on the Client’s account;
“Settlement System” (“Vypořádací systém”)	means an entity providing the settlement of Investment Instrument transactions (such as UNIVYC, Euroclear, Clearstream etc.);
“SPAD”	means the System for support of trading of shares and bonds on the market operated by the PSE;
“Special Arrangements on	means the annex of the Client Agreement containing a contractual remuneration for the Dealer different from the

Remuneration” („Zvláštní ujednání týkající se Odměny“)	remuneration stipulated in the Pricelist;
“Statements” (“Výpisy”)	means statements of the Client’s Asset Account;
“Supervisory Authority” (“Orgán dohledu”)	means the Czech National Bank or other body competent to carry out surveillance and/or supervision on a given market;
“Suspension of Right” („Pozastavení práva“)	Suspension of exercising of the owner’s right to dispose of an investment instrument registered in the Records in the meaning of Section 97 of the Act on Undertaking on Capital Market.
“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 Dealer who carries out systematic internalization, (d) dealing on own account of the 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 having its registered office outside the EU;
“UNIVYC”	Means the company UNIVYC, a.s., which was renamed to Centrální depozitář cenných papírů, a.s. (CDCP) as of 4 September 2009.

2. Scope of Application of Definitions

- 2.1. The definitions given in paragraph 1.1 above shall have their respective meaning in the agreements, materials and documents named bellow, unless stipulated otherwise in any specific agreement, material or document:
- (a) in documents for Client classification, specifically in:
 - (i) Client Classification Questionnaire;
 - (ii) 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 Dealer's conduct and procedure, specifically in:
 - (i) Execution Policy;
 - (ii) Client Assets Handling Policy;
 - (iii) Conflict of Interest Policy;
- (d) in contractual documentation between the 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.