



EXECUTION POLICY

BEST EXECUTION POLICY AND ORDER PROCESSING POLICY

1. Persons to Whom this Execution Policy is Addressed

- 1.1. Unless otherwise stated herein, this Execution Policy relates to Orders submitted both by Retail Clients and Professional Clients.
- 1.2. This Execution Policy shall apply during the processing and execution of Client Orders in relation to Investment Services.
- 1.3. This Execution Policy shall also apply, as appropriate, to the acceptance and delivery of Orders relating to Investment Instruments made for the Client's account and to dealing in Investment Instruments on own account, if such services are provided to the Client.
- 1.4. This Execution Policy also relates to the acceptance and execution of Instructions, as appropriate.

2. Basic Principles of the Execution of Orders

- 2.1. The Dealer executes Client Orders in the shortest possible time and in a manner ensuring fair and equitable treatment with respect to the Orders of other Clients.
- 2.2. The Dealer executes comparably similar Orders of Clients in the chronological order of their delivery, unless the specific nature of an Order, a Client's interests or the current market situation justify a different procedure.
- 2.3. When the Dealer handles the execution of an Order for the Provision of a Transaction, it also handles the due Settlement of the Transaction executed on the basis of the Order for the Provision of a Transaction, unless the settlement of transactions is handled for the Client by another securities dealer or a custodian.
- 2.4. If a Limit Order is not executed immediately, the Dealer will immediately execute such Limit Order as soon as market conditions allow.
- 2.5. During the execution of Orders the Dealer proceeds in accordance with the applicable provisions of the Act on Undertaking on Capital Market, its implementing regulations and the rules of the relevant Trading Venues.

3. Order Aggregation

- 3.1. The Dealer may, to the extent permitted by applicable legislation and the rules of regulated markets, aggregate the Client's Orders for the Provision of Transactions together with Orders for the Provision of Transactions of other Clients, or, as applicable, with transactions for the Dealer's own account, however only where it is unlikely that such aggregation of Orders for the

Provision of Transactions will be less advantageous for the respective Clients than the separate execution of such Orders for the Provision of Transactions.

- 3.2. If the aggregation of an Order for the Provision of a Transaction may be less advantageous for the Client than the separate execution of such Order for the Provision of a Transaction, the Dealer shall notify the Client of this fact.
- 3.3. When aggregating Orders for the Provision of Transactions, the Dealer shall ensure that such aggregated Orders for the Provision of Transactions are executed and settled fairly and equitably, without detriment to the interests of any of the Clients. The final settlement of each Order for the Provision of a Transaction is carried out according to the chronological order in which Clients' Orders for the Provision of Transactions were submitted to the Dealer.
- 3.4. In cases where an aggregated Order for the Provision of a Transaction from a Client and a transaction on the Dealer's own account was executed only partially, the Dealer will preferentially assign the performance and corresponding obligations to the Client, unless the Dealer can prove that the aggregated Order for the Provision of a Transaction was executed under more advantageous conditions than those which could probably have been achieved in the case of separate Orders for the Provision of Transactions, or that a separate Order for the Provision of a Transaction would not have been executed at all, in which case the Dealer may divide the performance and obligations pro rata.

4. Handing of Information Relating to the Execution of Orders

- 4.1. If any substantial difficulties arise during the processing of a Client Order, the Dealer will immediately inform the Client of these difficulties.
- 4.2. Unless the Client expressly states otherwise when submitting an Order, the Client requests that the Dealer shall not disclose Limit Orders of the Client relating to Investment Instruments admitted to trading on European Regulated Markets which are not immediately executed or transmitted to the Regulated market due to currently prevailing market conditions.

5. Best Execution of Orders for the Provision of a Transaction

- 5.1. The Dealer has adopted a policy with the aim of achieving the best possible result for the Client.

- 5.2. In applying this Execution Policy the Dealer will consider the factors which are important with regard to the purpose of the execution of the Order for the Provision of a Transaction, i.e. primarily the price of the respective Investment Instrument, the associated costs, the speed, the likelihood of the execution of the Order for the Provision of the Transaction, the volume of the requested transaction and the conditions for its settlement.
- 5.3. In determining which factors are important during the execution of Orders for the Provision of Transactions, the Dealer assesses the following criteria:
- a) the categorisation of the Client, i.e. whether the Client is a Professional Client or a Retail Client;
 - b) the nature of the Client's Order for the Provision of a Transaction;
 - c) the type of Investment Instrument to which the Order for the Provision of the Transaction relates;
 - d) the type of Trading Venue where the Order for the Provision of the Transaction is to be executed.
- 5.4. When the Dealer executes an Order for the Provision of a Transaction submitted by a Retail Client, the Dealer will give consideration to the price of the Investment Instrument and the costs associated with the execution of the Order for the Provision of the Transaction, including all the charges associated with execution.
- 5.5. When executing an Order for the Provision of a Transaction submitted by a Professional Client, the Dealer will take into account the Professional Client's own considerations and intentions, such as in regard to the speed and the likelihood of the execution of the Order for the Provision of the Transaction.
- 5.6. The Dealer considers the relatively most important factors to be the price achievable at the given Trading Venue and the costs for the execution of the Order for the Provision of a Transaction. However, this does not prevent the Dealer from prioritising other factors during the execution of Orders for the Provision of a Transaction based on available information on the current situation prevailing on markets in Investment Instruments, such as speed, the likelihood of execution and settlement, the volume and type of the Order for the Provision of the Transaction, the liquidity of the respective Investment Instrument and other factors relevant to achieving the best possible outcome for the Client.
- 6. Trading Venues and their Selection**
- 6.1. The Dealer will select a Trading Venue for the execution of an Order for the Provision of a Transaction which will enable the Client's Order for the Provision of a Transaction to be executed under the best conditions. When selecting a particular Trading Venue the Dealer will take into account the respective Investment Instrument, its specifics and the specifics of the respective Trading Venue. If an Order for the Provision of a Transaction is to be executed as swiftly as possible, the Dealer will select a Trading Venue from among the venues which are open at the time of the receipt of the Order for the Provision of the Transaction.
- 6.2. If an Investment Instrument forming the subject of an Order for the Provision of a Transaction is traded at several Trading Venues, the Dealer will give preference to the Trading Venue with the highest liquidity, while also taking into account where and in which currency the transaction is to be settled. Where venues for the execution of an Order for the Provision of a Transaction are comparably similar, the Dealer will take into account only the costs for the execution of the Order for the Provision of the Transaction at each Trading Venue, including its own commission.
- 6.3. Once a Trading Venue has been selected, the Order for the Provision of the Transaction will be transmitted to this venue for execution, where it will remain until its execution or partial execution, or until its validity period expires or the Order for the Provision of the Transaction is cancelled.
- 6.4. In accordance with the Execution Policy, the Dealer executes Orders for the Provision of Transactions using one or a combination of the following methods:
- a) A Client's Order for the Provision of a Transaction may be executed directly on a Regulated Market or in a Multilateral Trading Facility. If the Dealer is not a member of a given Regulated Market or Multilateral Trading Facility, for the purpose of the execution of an Order for the Provision of a Transaction the Dealer may transfer such Order for the Provision of a Transaction for execution to a third party which is, for example, a participant in the relevant Regulated Market or Multilateral Trading Facility;
 - b) An Order for the Provision of a Transaction may be transferred for execution to another securities dealer or another suitable entity which is a member of the same financial group as the Dealer. In such a case the Dealer will check whether the other dealer has implemented and applies measures enabling the Dealer to proceed in accordance with this Execution Policy. If this is not so, the Dealer will determine the Trading Venue and provide the other dealer with instructions on how to duly proceed. The Dealer is not, however, obliged to evaluate the execution policy of any other dealer in Investment Instruments when the Dealer is providing an investment service according to Article 1.3 of this Execution Policy;
 - c) With the Client's prior express consent the Dealer may, while complying with this Execution Policy, execute an Order for the Provision of a Transaction outside a Regulated Market or a Multilateral Trading Facility;

- d) In the case of collective investment securities, an Order may be transferred for execution to an authorised transfer agent.
- 6.5. A list of Trading Venues is available on the Internet Website at www.ppfbanka.cz.
- 7. Recommendation Against the Execution of an Order**
- 7.1. Based on the information provided by the Client in the Investment Questionnaire and the Client's requirements regarding the investment service / the manner of its provision / and the Investment Instrument which is to be the subject of such service, the Dealer may evaluate an Order for the Provision of a Transaction requested by the Client as unsuitable in view of the Client's expertise and experience. If the Client refuses to provide requested information, or the information provided by the Client is insufficient or incomplete, the Dealer will not be able to evaluate that the Order for the Provision of the Transaction is suitable for the Client. Following its evaluation the Dealer will inform the Client that the Dealer recommends against executing the Order for the Provision of Transaction.
- 7.2. In the event of such a recommendation against executing an Order for the Provision of a Transaction, the Client has the right to expressly request that the Dealer execute the Order for the Provision of the Transaction. In such case, however, the Dealer is released from any liability for the provision of such an investment service which is unsuitable in view of the Client's expertise and experience pursuant to the applicable provisions of the Act on Undertaking on Capital Market.
- 8. Execution Only Regime**
- 8.1. In the case of Non-complex Investment Instruments, the Dealer provides the investment services of "accepting and transferring orders involving Investment Instruments" and "execution of orders involving Investment Instruments for the account of Clients" in Execution Only regime, unless agreed otherwise with the Client.
- 8.2. When the Dealer provides investment services in Execution Only regime, the scope of the protection provided to the Client pursuant to the Act on Undertaking on Capital Market is limited. More detailed information on the Execution Only regime is contained in the document "Information on the Execution Only Regime", which is available on the Internet Website at www.ppfbanka.cz.
- 9. Explicit Directions of Clients**
- 9.1. When executing Orders for the Provision of Transactions, the Dealer will consider the factors referred to paragraph 5.2 above in the light of the criteria set out in paragraph 5.3 of this Execution Policy. If, however, the Client explicitly states otherwise in its Order for the Provision of a Transaction, the Dealer will execute the Order according to the Client's specific directions.
- 10. Monitoring and Regular Evaluation of the Effectiveness of the Execution Policy**
- 10.1. The Dealer regularly evaluates whether the Execution Policy is effective and whether it is successfully ensuring that Clients' Orders for the Provision of Transactions are being executed under the best conditions. Any deficiencies will be rectified without undue delay.
- 10.2. The Dealer evaluates the Execution Policy and associated procedures at least once a year. The Dealer informs Clients of any material change in the Execution Policy in the manner described in the Investment Services Terms and Conditions. The current version of the Execution Policy is available on the Internet Website at www.ppfbanka.cz.
- 11. Client Approvals and Provision of Information about the Execution of Orders**
- 11.1. The Dealer must obtain the Client's approval in regard to this Execution Policy before executing Orders for the Provision of Transactions.
- 11.2. In approving this Execution Policy, the Client acknowledges that an Order containing explicit, specific directions to follow a particular procedure or method for executing an Order for the Provision of a Transaction may mean that the Dealer will not be able to proceed in accordance with this Execution Policy.
- 11.3. The Dealer performs its information obligations pursuant to applicable legislation and contractual documents in the manner specified in the Investment Services Terms and Conditions.
- 11.4. Before executing Orders for the Provision of Transactions outside a Regulated Market or a Multilateral Trading Facility the Dealer must obtain the Client's approval in regard to such procedure.
- 11.5. The Client is also entitled to request the Dealer to provide information regarding the execution of a particular Order or as to whether it is being executed in accordance with this Execution Policy.