

**INVESTMENT SERVICES TERMS AND CONDITIONS  
of 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  
the Municipal Court in Prague, Section B, Insert 1834

**1. General Information**

- 1.1. These Investment Services Terms and Conditions regulate the provision of investment services by the Dealer, in particular the Provision of Transactions, provision of the Settlement of Transactions, providing for the Administration, Safekeeping, Deposit, provision of Investment Consultancy including Provision of Transactions at foreign Trading Venues where the Dealer executes, directly or indirectly, its transactions, at the Trading Venues in the Czech Republic, including markets operated by the PSE, all this in accordance with a relevant Client Agreement.
- 1.2. Provision of Transactions, Settlement of Transactions, provision for the Administration and/or Safekeeping and/or Deposit by the Dealer on the Client's account and provision of Investment Consultancy may be carried out exclusively on the basis of a valid and effective Client Agreement.
- 1.3. These Investment Services Terms and Conditions are Specific Business Conditions (hereinafter "SBC") issued in accordance with and in relation to the General Business Conditions of PPF banka a.s. (hereinafter the "GBC"), with which the Client has been familiarized simultaneously with these Investment Services Terms and Conditions.
- 1.4. These Investment Services Terms and Conditions are issued based on and in accordance with the provisions of Section 273 of the Commercial Code. The Investment Services Terms and Conditions, GBC and Pricelist form a part of the Client Agreement.
- 1.5. The relations between the Client and the Dealer not regulated by an applicable Client Agreement, by these Investment Services Terms and Conditions and/or the GBC, shall be governed by the laws of the Czech Republic, particularly by the applicable provisions of the Securities Act, the Act on Undertaking on Capital Market and the Commercial Code, the CDS Operational Policy, and eventually the operational policies and conditions of other Trading Venues and Other Depositories. Where the dispositive provisions of the legal regulations are in conflict with the provably established practice and usage on the relevant financial markets, preference shall be given to such practice and usage. For the avoidance of doubts it is stated that the provisions of the Client Agreement, these Investment Services Terms and Conditions and/or the GBC shall prevail over such established practice and usage.
- 1.6. Where capitalized terms or phrases are used in these Investment Services Terms and Conditions, they shall have the meaning stipulated in the article Definition of Terms of the GBC and/or in the Definition of Terms, which as an annex forms an inseparable part of these Investment Services Terms and Conditions, and which are used in the contractual documentation and documentation for informing Clients or the meaning specified in the individual provisions of these Investment Services Terms and Conditions. The terms and phrases thus defined shall be used analogically in plural form.
- 1.7. If the Client Agreement contains provisions which differ from these Investment Services Terms and Conditions, the provisions of the Client Agreement shall take priority. If these

Investment Services Terms and Conditions contain provisions which differ from the GBC, these shall take priority over the provisions of the GBC.

- 1.8. The Client Agreement shall be signed by the Client at the presence of the Dealer's authorized employee who shall verify the Client's identity according to Client's identity card or another document proving the Client's identity. Where the execution of the Client Agreement is made at a distance or where stipulated by applicable legal regulations or rules of trading at a given market, the signature of the Client on the original of the Client Agreement must be authenticated. The authentication of the Client's signature on the original of the Client Agreement or granting of a special power of attorney may be required by the Dealer also for the purposes of the Settlement of Transaction with Investment Instruments registered at CDS or possibly by Another Depository. Should the Client be a legal person, the Client shall be obliged to present the Dealer with a valid and true document evidencing the existence of the Client and the manner of acting on behalf of the Client before the signature of the Client Agreement (e.g., a current Certificate of Incorporation not older than 3 months, current extract from any other public register not older than 3 months, valid and effective wording of Memorandum of Association). The given Client Agreement shall be concluded on behalf of the Client, a legal person, by a person acting in the Client's name/ authorized to act on behalf of the Client pursuant to a document as stated in the sentence above. The identity of the person acting on behalf / in the name of the Client, a legal person, shall be verified by the Dealer in the manner described in the first sentence of this paragraph.
- 1.9. The Client Agreement may be concluded also by a person acting on behalf of the Client on the ground of a power of attorney containing authenticated signatures. In such case, the original of the power of attorney shall become an integral part of the Client Agreement and shall be deposited with the Dealer. The scope of the executed Orders and provided services shall be limited by the scope of the authorization granted in the relevant power of attorney.
- 1.10. The Dealer shall have the right to refuse to enter into the Client Agreement should the Client fail to provide necessary cooperation or information needed for the Settlement of Transaction.
- 1.11. The Client shall have the right to be informed, before submitting an Order to Provide Transaction, and upon his/her request, on the current rate of the Investment Instrument on the relevant regulated market and to receive other information about the Investment Instrument in respect of such Order.
- 1.12. The Dealer shall have the right to refuse to enter into the Client Agreement should the Client fail to provide information necessary for the Dealer to be able to classify the Client in accordance with Act on Undertaking on Capital Market and shall have the right to refuse to recommend a transaction, service, Investment Instrument or to execute a Client Order should the Client refuse to provide the Dealer with information on the Client's financial situation, experience in the area of investments into Investment Instruments and objectives to be achieved by activities pursuant to the relevant Client Agreement or provide false, incomplete or inaccurate information.

## **2. Trading Venues**

- 2.1. The Dealer shall Provide and Settle Transactions at selected Czech or foreign Trading Venues, in particular in the Regulated Markets. The list of the Trading Venues is available at the Dealer's Internet Website.
- 2.2. Trading and settlement at the individual Trading Venues shall proceed according to the rules of the respective Trading Venues.

### **3. Provision of Transaction, Settlement of Transaction, Administration and Orders**

- 3.1. The Dealer shall provide only the Provision of Transactions concerning the Investment Instruments with which the Dealer may Provide such Transactions pursuant to the scope of a license granted to the Dealer by the CNB or other supervisory body in respect of the relevant service and only if this is possible based on the nature of the matter.
- 3.2. The minimum requirements for all Orders:
  - a) Identification of the Client (business name/ name/ first name and surname, company identification No./ birth certificate No., Authorized Person);
  - b) ISIN or another identification of the Investment Instrument to which the Order applies, name of the issue of the Investment Instrument;
  - c) number of pieces of the Investment Instrument in question (or, as the case may be, amount in nominal value);
  - d) date and time when the Order is submitted by the Client; and
  - e) signature of the Client or his/her Authorized Person in accordance with the applicable provisions of the Client Agreement where the Order is submitted in writing.
- 3.3. Minimum requirements for the Order to Provide Transaction and Order to Settle Transaction are the requirements specified in paragraph 3.2 of these Investments Services Terms and Conditions and also:
  - a) direction of the transaction (i.e. specification whether the Client is the purchaser or the seller, or the creditor or the debtor of a loan of Investment Instruments, etc.);
  - b) designation of the Settlement System, Trading Venue where the Order is to be executed by the Dealer, settlement details of the counterparty if these are known to the Client; and
  - c) Client Bank Account to which the Investment Instrument transaction is to be settled where the Client requires a method other than as agreed in the Client Agreement or herein;
- 3.4. Minimum requirements for the Order to Provide Transaction are the requirements specified in paragraphs 3.2 and 3.3 of these Investments Services Terms and Conditions and also:
  - a) type of Order to Provide Transaction (transaction, buy and sell, repo, loan, transfer, other);
  - b) price of the Investment Instruments in question or the value of the Investment Instruments for the purposes of the loan of Investment Instruments or a repo transaction or for the purposes of settlement of the relevant transaction, where this price of the Investment Instruments in question may be determined as a fixed amount or as a amount specifying limiting conditions for actions of the Dealer (e.g. “as best as possible” or “stop loss order”, etc.); and
  - c) specification of the period of validity of the Order which shall not exceed 30 days, unless agreed otherwise between the Dealer and the Client.
- 3.5. Minimum requirements for the Order to Settle Transaction are the requirements specified in paragraphs 3.2 and 3.3 of these Investments Services Terms and Conditions and also:
  - a) method of transaction settlement (delivery versus payment, delivery free of payment);
  - b) currency;
  - c) price of the Investment Instruments in question (price per piece, in case of bonds expressed in % of the nominal value);
  - d) total price, including aliquot interest yield;

- e) date of entering into the transaction, execution date, settlement date; and
  - f) specification of the counterparty (name/business name, birth certificate No./company identification No., address/registered office), the Dealer of the counterparty (business name, company identification No.).
- 3.6. Minimum requirements for the Order to Administration are the requirements specified in paragraph 3.2 of these Investments Services Terms and Conditions and also:
- i. No. of Asset Account/Sub-Account of the Client;
  - ii. Specification of the required service (deposit, withdrawal, exercising of subscription right to newly issued Investment Instruments, exercising of the right of option etc.);
  - iii. currency, price/nominal value of the Investment Instrument per piece, total price/total nominal value total of the Investment Instruments in question;
  - iv. specification of the counterparty (name/business name, birth certificate No./company identification No., address/registered office); and
  - v. date of acceptance/issue of the Investment Instrument for/from Administration.
- 3.7. The Dealer is entitled to Provide Transaction, Settle Transaction or perform Administration also in the case if the Order in question does not contain all the requested requirements provided that it is clear from the Order or, as the case may be, from the relevant Client Agreement in a sufficient manner in what manner the Order is to be executed.
- 3.8. The Client hereby undertakes that the Orders to be submitted to the Dealer shall be based on true and complete information and that within the Order, the Client will always provide any and all necessary information as needed for its proper execution.
- 3.9. When giving any Orders, the Client shall proceed as stipulated in Section 8 (“Method of Communication”) hereof. The only person authorized to submit Orders on behalf of the Client is the Authorized Person specified in an annex to the relevant Client Agreement or the Client in person. The exception is the submitting of an Order concerning Administration in respect of the exercise of voting rights related to the Investment Instrument in question which may only be submitted in writing.
- 3.10. The Client requires that the Dealer does not publish Limit Orders of the Client in relation to the Investment Instruments accepted for trading in regulated markets with registered office in a member state of the European Union, which are not immediately executed or transferred to the regulated market due to currently prevailing market conditions unless the Client explicitly states otherwise when submitting the Order.
- 3.11. Before submitting an Order concerning the purchase or sale of certificated domestic securities, the Client is obliged to conclude an Agreement on Safekeeping of Certificated Securities or on Deposit of Certificated Securities with the Dealer. The Dealer may put the domestic certificated securities designated for sale into secondary safekeeping of the respective depository; in the case of purchase of domestic certificated securities, these may be left in secondary safekeeping of the respective depository, unless stipulated otherwise by the Client. The Dealer is not obliged to carry out an Order concerning domestic certificated securities or to safekeep domestic certificated securities according to the Agreement on Safekeeping of Certificated Securities, respectively on Deposit of Certificated Securities, especially if these are the subject of proceedings on amortisation or if they are damaged, incomplete, or they do not have the prescribed requirements, are pledged, or are not qualified for trading for other reasons.
- 3.12. The Client is entitled to propose (in the same manner as for submitting Orders) the time when a specific Order is to be settled. If the time for settlement proposed by the Client is different from the usual settlement time according to the rules of the individual Trading Venues (such as the PSE Rules, etc.), the Client’s proposal of the time for settlement is subject to approval of a broker of the Dealer.

- 3.13. The Dealer may refuse to execute a Client Order or refuse to accept a Client Order if:
- (a) the Dealer assesses the Order as inappropriate for the Client, based on the information provided by the Client in the Investment Questionnaire and with respect to the nature of the requested Investment Service or the Investment Instrument;
  - (b) the Order is incomplete, incorrect, indefinite or unclear;
  - (c) the Dealer is in doubt whether the Order was submitted by the Authorized Person;
  - (d) a conflict of interest may arise between the Dealer and the Client or between the Client and another of the Dealer's Clients.
  - (e) the provision of the service might result in market abuse (e.g. market manipulation) or in disrupting market transparency;
  - (f) the Dealer has a reasonable suspicion that the Investment Instruments to which the Order applies are the object of criminal activities;
  - (g) the Dealer has a reasonable to suspicion that regulated markets rules have been violated;
  - (h) the Dealer is not able (in its reasonable opinion) to ensure that the service will be provided with professional care or such service involves inappropriately high costs that are not covered within the standard Consideration according to the respective Client Agreement; or
  - (ch) there are other serious reasons for which the requested service may not be provided and the contracting parties fail to agree otherwise.
- 3.14. The Dealer shall be obliged to take care not to cause any damage to the Client by refusing an Order. The Dealer shall be obliged to notify the Client of its refusal to execute or accept an Order without undue delay. A refused Order shall be regarded as not submitted.
- 3.15. The periods for submitting Orders and for the handover of clearance shall be governed by the conditions of the individual Trading Venues and the limitations stipulated herein.
- 3.16. Where required by the nature of the Order for Provision of the Transaction, such Order shall be executed on the market only after the identity of the Client and his/her rights to dispose of the corresponding Investment Instruments at the CDS or Another Depository have been verified. The period of validity of such Order shall include this time as well.
- 3.17. The Dealer shall execute Client Order in accordance with the Execution Policy attached hereto as an annex.
- 3.18. Where an Order to Provision of Transaction is executed at a Trading Venue, the required volume of purchased or sold Investment Instruments is regarded as a limit volume and the volume actually purchased or sold depends on the current conditions prevailing on a given market.
- 3.19. For the period of effectiveness of an Order, the Client grants the Dealer exclusive rights of disposal over the Investment Instruments involved in the provision of transaction. The Client also takes into account that the Suspension of Right according to Section 97 of the Act on Undertaking on Capital Market may apply to the respective Investment Instruments.
- 3.20. As for Investment Instruments entered and registered at the CDS, the Dealer and Client have agreed that the right granted on the basis of paragraph 3.19 of these Investment Services Terms and Conditions shall be carried out by the Dealer in accordance with the CDS Operational Policy.
- 3.21. In case the Client decides to modify or cancel an Order already submitted, the Dealer shall enable the Client do so provided that this Order has not been executed yet or no irretrievable measures leading to its execution have been taken.
- 3.22. The Dealer is entitled to divert from the Orders to Provide Transaction or Orders for Administration only if this should be beneficial for the Client, it is not explicitly excluded

in such Order and at the same time, it is not prevented by any provision of legal regulations, or by rules of the Trading Venue where the Transaction was to be Provided, Execution Policy or any other administrative or court decision binding on the Client and/or the Dealer.

- 3.23. In the case of Order for Settlement of the Transaction it is explicitly agreed that the Dealer shall be obliged to execute such Order of the Client for a price specified in such Order which is the price fixed and invariable irrespective of its amount or the possibility to negotiate more favourable conditions for the Client.
- 3.24. The Dealer shall be obliged to notify the Client of incorrect or incomplete Orders in time.
- 3.25. The Dealer may Provide Transaction by being the respective counterparty, i.e. by selling an Investment Instrument to the Client from the Dealer's own assets or the Dealer may buy an Investment Instrument into the Dealer's own assets from the Client.
- 3.26. If the Client fails to use the Bank Trading Account for the Provision of a Transaction, the Dealer shall open the SCA for the Client where the Dealer shall maintain any and all funds for the purposes of the performance of obligations arising from the relevant Client Agreement or, as the case may be, other provisions of contracting parties in connection with the relevant Client Agreement during the entire time of the term of the relevant Client Agreement. The Dealer shall be obliged to handle the balances on the Bank Trading Account or the SCA of the Client in accordance with the Client Assets Handling Policy and pursuant to requirements of the Client stated in the Order, however, only provided that the execution of such Order shall not prevent the fulfilment of the Dealer's obligations arising from the relevant Client Agreement.
- 3.27. The Dealer hereby undertakes within the Administration to perform the following acts which are necessary for the exercise and maintenance of rights related to the Investment Instruments, even without Orders, unless the Client stipulates otherwise in an Order:
  - a) To demand the fulfilment of obligations related to the Investment Instruments, to present necessary documents upon the due date of the Investment Instruments to repay the amount owed and to present the Investment Instruments to pay out dividends or yields;
  - b) To execute in the name of the Client and on the Client's account any and all acts the Dealer would deem necessary in connection with reception of payments, acceptance of income, yields or the maintenance of other rights related to the Investment Instruments;
  - c) To collect from the SCA or the Bank Trading Account amounts corresponding to the Consideration of the Dealer and also any and all fees and other costs the Dealer has to invest based on and in accordance with the relevant Client Agreement;
  - d) To withdraw, accept or credit to the Asset Account or the SCA or the Bank Trading Account any income, payments or yields related to the Investment Instruments;
  - e) To conclude necessary agreements with third parties concerning the legal acts necessary for proper fulfilment of obligations of the Dealer arising from the relevant Client Agreement;
  - f) To perform transfer of the Investment Instruments to another Authorized Administrator or Secondary Administrator even without approval of the Client, in the case of a change of the Authorized Administrator or Secondary Administrator;
  - g) To perform any and all acts necessary or suitable in order for the Dealer to be able to provide services to the Client pursuant to the relevant Client Agreement towards any and all Settlement systems, Authorized Administrators and Secondary Administrators;
  - h) To sign any and all affidavits, confirmations and other documents concerning the ownership of the Investment Instruments which may be required in connection with the Administration pursuant to valid legal regulations by any revenue office or any regulatory body or other authorized state body of any jurisdiction in question;

- i) To inform the Client in the case of any extraordinary changes or credits/debits movements on accounts, without undue delay after such change occurs in the form of a confirmation in writing or in the form of an extraordinary account statement or in another manner of communication defined in paragraph 8.3 hereof;
- j) To perform replacement and pre-emptive rights related to the Investment Instruments, mainly to exercise the right to replace the Investment Instruments in the case of the cancellation of the issuer for the Investment Instruments of the successor company or, as the case may be, to exercise the right to the additional payment to even-up, to replace the interim certificates and other Investment Instruments or, as the case may be, confirmations of temporary nature for definite Investment Instruments as well as to exercise any other rights related to the cancellation, winding-up or liquidation of the issuer of the Investment Instruments; and
- k) To accept for the Client the yields from the Investment Instruments, present for paying out certain Investment Instruments which are to be paid, purchased back, redeemed or which would become otherwise due and certain coupons and other income items which are to be paid against presentation (or other evidence of the title).

#### **4. Safekeeping, Instructions**

- 4.1 The Dealer shall be obliged to follow the Instructions of the Client.
- 4.2 The minimum requirements of an Instruction are the requirements stated in paragraph 3.2. of these Investment Services Terms and Conditions, and also:
  - a) No. of Asset Account/Sub-Account of the Client;
  - b) Specification of the service required (Safekeeping);
  - c) Currency/nominal value of the Security per piece, total price/total nominal value of the Securities in question; and
  - d) date of acceptance/issue of the Security for/from Safekeeping.
- 4.3 Provisions of paragraphs 3.8, 3.9, 3.13 and 3.26 of these Investment Services Terms and Conditions shall be used similarly also in relation to Instructions.
- 4.4 The Dealer shall be obliged to notify the Client, without undue delay, of incorrect or incomplete Instructions provided that the Dealer would be able to identify that an Instruction sent to the Dealer by the Client is not correct.

#### **5. Settlement, Accounts at the CDS**

- 5.1 When Providing Transaction that gives rise to the obligation of the Client to acquire the Investment Instruments in question from a third person (i.e. in particular the purchase of Investment Instruments or accepting a loan of Investment Instruments), the Dealer shall have the right to transfer the Investment Instruments, involved in the transaction provided under the corresponding Order, at first to itself and shall transfer these Investment Instruments to the Client only after the final settlement of the corresponding Order.
- 5.2 When Providing Transaction that gives rise to the obligation of the Client to transfer the Investment Instruments in question to a third person (i.e. in particular the sale of Investment Instruments or the provision of loan of Investment Instruments), the Dealer shall have the right to transfer the Investment Instruments in question at first to itself (i.e. in case of registered Investment Instruments to its Investment Instrument account at the CDS or Another Depository, as the case may be).
- 5.3 The Dealer shall inform the Client on the execution of an Order (hereinafter the “confirmation”) as well as on the state of an Order that has not been executed completely

yet through an automatic output from the information system of the Dealer which will be sent to the Client in the manner pursuant to Section 8 hereof. The Client hereby explicitly agrees to this manner of confirmations' provision. The confirmation shall always contain, unless it is excluded due to the nature of the matter, at least:

- (a) Identification of the Dealer;
- (b) Identification of the Client;
- (c) Date of the performance of an Order;
- (d) Time of the execution of an Order;
- (e) Type of an Order;
- (f) Designation of the Trading Venue;
- (g) Identification data of the Investment Instrument;
- (h) Direction of the trade (purchase or sale);
- (i) Nature of an Order if it is not an Order to buy or sell;
- (j) Amount;
- (k) Unit price and total price;
- (l) Total amount of commission and charged expenses; the Dealer shall itemize the commissions and charged expenses upon request of the Client;
- (m) Information on obligations of the Client concerning the settlement of a Transaction, including the term for the payment or delivery and information on the account in the scope necessary for the settlement, unless information on the account was already communicated to the Client in advance; and
- (n) Information that it is the case where the counterparty of the Transaction was the Dealer itself, a person connected with it or any other client of the Dealer unless it was a Transaction in the anonymous trading system.

Information specified above under letters (e) and (n) are disclosed by the Dealer only to Retail Clients. Should the Client fail to communicate the Dealer objections against the confirmation content within 48 hours from the confirmation's receipt, the confirmation shall be deemed confirmed, accurate and correct (unless the opposite is proved) with exception of obvious errors.

- 5.4 The Client and Dealer have agreed that the Dealer sends the Balance Statement and Change Statement only upon request of the Client, unless the contracting parties agree otherwise.
- 5.5 The payment of Client's funds (among others, in the case that these are received in connection with the sale of the Client's Investment Instruments) shall be made by the Dealer on the basis of and in accordance with the Order, Instruction, the Client Agreement and these Investment Services Terms and Conditions by way of transfer to the Client Bank Account, the SCA or the Bank Trading Account. The Dealer shall be obliged to transfer the Client's funds entrusted to the Dealer upon the Client's order to the Client Bank Account at the latest within 3 Business Days from the day on which all the obligations of the Client towards the Dealer have been settled. Where such order is not submitted by the Client, it shall be assumed that the Client's funds are kept on the SCA or the Bank Trading Account after the settlement of the transaction. The Dealer shall be obliged to notify the Client without undue delay in a way stipulated herein of the impossibility to execute the Client's order to payment of funds in the above-mentioned manner for lack of funds on the Bank Trading Account or the SCA or for other reasons.
- 5.6 When Providing Transaction that gives rise to the Client's obligation to pay the purchase price for the Investment Instruments, the Consideration for the loan of Investment Instruments or an obligation to another financial performance, including the obligation to



pay to the Dealer the Consideration, the Client shall be obliged to ensure that there are sufficient funds on the SCA or the Bank Trading account in the amount corresponding to the obligation of the Client pursuant to the previous sentence either on the date specified by the usage of a given Trading Venue, or on the date specified by the terms and conditions of a given Settlement System, however, not later than on the day of the settlement of Transaction.

- 5.7 The Dealer may require at the time of the handover of an Order, however, at the latest one day before Provision of Transaction, that the Client provides an advance payment for the settlement of the financial obligations according to paragraph 5 hereof, however at the maximum in the amount of the purchase price of the Investment Instruments involved in the transaction provided under the Client Order (or, as the case may be, in the amount of estimated purchase price in case of advance payment paid prior to submitting Order for Provision of the Purchase or Sale of Investment Instrument, if the final purchase price is not known at that time; this estimated purchase price shall be calculated using the rate of the Investment Instruments involved in the provision of the transaction under the Client Order to Provide Purchase or Sale of Investment Instrument that was achieved at the relevant Trading Venue where the Investment Instrument is to be purchased for the last time) increased by the amount of the Consideration for the Dealer. The breach of this obligation to pay the advance payment shall result in the termination of validity and effectiveness of the Order and the Dealer shall not be obliged to execute the Order. The Dealer shall inform the Client of this fact.
- 5.8 Provision of the advance payment for Provision of Transaction in pursuance of the previous paragraph shall not be required where the Bank Trading Account or the SCA contains, on the day on which the advance payment is to be paid, funds in a sufficient volume from which the Dealer may collect the sum corresponding to the advance payment (for which the Client grants its consent by signing the Client Agreement) and such collection is not precluded by any factual or legal obstacles.
- 5.9 The Client shall be obliged to identify all payments made in favour of the SCA with its birth certificate number or company identification number which it uses in communication with the bank as a variable symbol. Payments without such identification shall be collected on a nominee account of the Dealer and shall be credited in favour of the Client to the SCA after submission of a bank statement confirming the payment of the sum in question, however, without any right to any interest for the period from the receipt of the payment to its crediting to the SCA.
- 5.10 The Client shall be obliged to identify all payments made in favour of the Dealer Bank Account with its birth certificate number or company identification number which it uses in communication with the bank as a variable symbol. Payments without such identification shall be collected on a nominee account and shall be credited to the Dealer Bank Account after submission of a bank statement confirming the payment of the sum in question. The obligation of the Client shall be deemed fulfilled upon the identification of the payment according to the previous sentence.
- 5.11 The Dealer shall be obliged to constantly monitor the volume of the funds on the SCA and to give information to the Client, at any time on its request, on the amount of free balance.
- 5.12 In case of termination of the Client Agreement, the Dealer shall be obliged to transfer the Client's funds entrusted to it following Client's instructions from the SCA to the Client Bank Account or to another account announced by the Client at the latest within 3 Business Days from the day of the termination of the Client Agreement or from the day on which all Client's obligations have been settled, whichever of these circumstances is later.
- 5.13 In the case that the Dealer Provides for the Client a Transaction based on the Order to Provide Transaction and in connection with the same Transaction also the Settlement of the Transaction, the Dealer does not need to be submitted an Order to Settle the Transaction provided that the relevant instructions arise from the already-submitted Order to Provide

Transaction or, as the case may be, other information communicated by the Client on request of the Dealer.

- 5.14 In the case that the Client has an account at the CDS and/or Another Depository and should it be relevant for the provision of an investment service based on the relevant Client Agreement, the Client shall be obliged to communicate to the Dealer the identification of such account at the CDS and/or Another Depository without undue delay after the conclusion of the relevant Client Agreement, however before the submitting of the first Order, at the latest. In the case that the Client does not have an account at the CDS and/or Another Depository and should it be relevant for the provision of an investment service based on the relevant Client Agreement, the Client hereby authorizes the Dealer to open such account at the CDS and/or Another Depository in the Client's name. Also, the Client hereby explicitly authorizes the Dealer to perform any and all services provided by the CDS and/or Another Depository in the scope necessary to meet the obligations of the Dealer arising from the relevant Client Agreement and the Client explicitly agrees that the Dealer will have access to the Client's account maintained at the CDS and/or Another Depository. The Client agrees that in the case of the Investment Instruments recorded on the Client's account at the CDS and/or Another Depository to which the Dealer will perform the administration of the Investment Instruments, the registration of the Account Administrator at the SDC will be performed in favour of the Dealer according to the relevant regulations or, as the case may be, a similar act will be performed at Another Depository.

## **6. Contractual Remuneration, Fees and Costs**

- 6.1 The Client hereby undertakes to pay the Dealer for the Provision of Transaction, Safekeeping, and Administration or for the provision of Investment Consultancy the Consideration pursuant to the relevant Client Agreement. The Client also undertakes to pay the Dealer for any and all fees paid by the Dealer to the SDC and/or Another Depository for activities listed in paragraph 5.14 hereof.
- 6.2 The Client shall be obliged to provide the Dealer an advance payment for the performance provided in connection with the Administration in the procedure pursuant to paragraph 5.7 hereof.
- 6.3 In the case where the Client was obliged to provide the Dealer an advance payment for the Provision of Transaction in accordance with the relevant Client Agreement, the Client is also obliged to provide the Dealer an advance payment for the Consideration for the Provision of Transaction.
- 6.4 The Dealer shall be entitled, in accordance with section 364 of the Commercial Code to set off the entitlement to Consideration, without any previous notice in writing, which is more than 10 Business Days overdue, against any receivable (either due or not) of the Client to the Dealer in the manner and under conditions stipulated in the Client Assets Handling Policy irrespective of place and currency of the payment (for this purpose, the Dealer shall be entitled to perform the necessary currency conversion in accordance with provision of Section 362 of the Commercial Code).
- 6.5 The entitlement to Consideration arises for the Dealer already from the proper performance of an activity pursuant to the relevant Client Agreement irrespective of whether profit or another benefit would arise to the Client or not from such conduct. In the case of Investment Consultancy, the entitlement to Consideration arises for the Dealer already from the moment of the provision of the service of Investment Consultancy irrespective of the fact whether profit or another benefit would arise to the Client from the trades or other financial transactions the Client would perform based on the Investment Consultancy provided by the Dealer or not.
- 6.6 In the case of Consideration for the Provision of Transaction, the relevant amount of Consideration will be collected by the Dealer directly from the SCA or from the Bank

Trading Account within the performance of the Settlement of Transaction in question with which the Client expresses its explicit consent and undertakes to ensure that his/her SCA or the Bank Trading Account always contains sufficient amount of funds. The Dealer shall be entitled to proceed in this manner also in the case that the Bank Trading Account does not contain sufficient balance of funds (i.e. a debit balance occurs on the Bank Trading Account which shall bear interest pursuant to the current Pricelist).

## **7. Use of Third Parties**

- 7.1 The Dealer is entitled to use other (third) parties to fulfilment of its Dealer obligations based on the relevant Client Agreement. In the case of an Agreement on Safekeeping, the Dealer shall be entitled to deposit Securities into separate safekeeping with a third party, by the Dealer's own choice, which third party shall secure a safe safekeeping of any or all Securities. In the case of the commitment for Safekeeping, the Dealer shall be entitled to use services of third parties in order to fulfil the Dealer's obligations arising from the respective agreement, namely services of Authorized Administrators, Settlement Systems and entities providing services of the Investment Instruments administration. During the selection of Authorized Administrators, Settlement System, Secondary Custodians, Secondary Administrators and other third parties, the Dealer undertakes to proceed with professional care.
- 7.2 No rights or obligations arise to the Client based on the activities of the Dealer towards third parties. However, the Client may require a third party to fulfil an obligation if the Dealer cannot do it due to circumstances related to its person.
- 7.3 Should the Dealer use a third person to fulfil the Dealer's obligation pursuant to the relevant Client Agreement, the Dealer shall be liable to the Client as if the Dealer procured the matter in question personally.
- 7.4 The Secondary Custodian chosen by the Dealer must be a company with registered office or organizational unit in the Czech Republic and with a licence to undertake a business in the Czech Republic.
- 7.5 Based on the request of the Client, the Dealer shall be obliged to communicate to the Client all the accessible data in order to consider the credibility of the third party with which the Dealer is negotiating the agreement in question whose subject is the Provision of Transaction, Safekeeping, Administration or Investment Consultancy.
- 7.6 Should the person with which the Dealer concluded an agreement in question which was the subject of the Provision of Transaction, breach its obligations, the Dealer shall be obliged to enforce the fulfilment of these obligations on behalf of the Client while the Dealer is entitled to require provision of an advance payment for the costs of such enforcement. Instead of enforcement of these obligations, the Dealer may assign receivables corresponding to such obligations to the Client. The Client hereby undertakes to accept the assignment of receivables for such a case.
- 7.7 The Client may request from the Dealer to fulfil an obligation of a third party without such party having fulfilled its obligation to the Dealer only if the Dealer breached orders of the Client concerning the persons with which the agreement in question on the account of the Client should have been concluded.

## **8. Methods of Communication**

- 8.1 The Client shall be obliged to communicate with the Dealer within the full scope of the subject of performance of the Client Agreement either in person or through Authorized Persons in whichever of the ways described below the Client chooses:
- a) in person, at the address stated in the introductory provisions of the relevant Client Agreement or at another address of which the Dealer notified the Client in writing (e.g.

in the List of Authorized Persons of the Dealer which constitutes an annex to the relevant Client Agreement); Order must be handed over in a written form and its acceptance must be confirmed on behalf of the Dealer by the Authorized Person in accordance with the relevant annex of the Client Agreement;

- b) by fax, after announcing in writing the fax number (e.g. in the List of Authorized Persons of the Dealer) to be used in communication with the Dealer;
- c) by phone at the number announced by the Dealer (e.g. in the List of Authorized Persons of the Dealer which constitutes an annex to the relevant Client Agreement) after introducing himself by name and surname or a business name. A password may be required for verification of identity which the Dealer shall communicate to the Client after the conclusion of the relevant Client Agreement, in writing and in the form of a registered letter, attention to the Authorized Person of the Client (the wording of the password shall be changed in the same form after mutual agreement of the Dealer and the Client). Should the Client refuse to tell the password during a telephone conversation or should the Client tell a wrong password, such communication cannot be deemed as proper and shall not have any of the effects expected in the Client Agreement or herein. The Client agrees that the phone calls may be recorded and such records may serve as evidence in case of a dispute between the contracting parties;
- d) by registered letter to the address stated in the introductory provisions of the relevant Client Agreement or to another address of which the Dealer notified the Client in writing (e.g. in the List of Authorized Persons of the Dealer which constitutes an annex to the relevant Client Agreement);
- e) by means of the REUTERS or BLOOMBERG communication systems;
- f) by electronic mail;
- g) by SWIFT, if the Client is connected to this system;
- h) by courier (with confirmation of receipt).

Each written Order must be signed for the Client by an Authorized Person determined according to the relevant annex of the Client Agreement.

The contacts for communication in the above-specified methods are given in the List of Authorized Persons of the Dealer which constitutes an annex of the relevant Client Agreement.

The Client shall be obliged to keep the password under letter c) above confidential and not to disclose it to any third person except for the Authorized Persons. The Client shall be obliged to notify without undue delay the loss of the password to the Dealer or any information indicating that a person different from the Client or an Authorized Person got hold of the password. The Client hereby explicitly acknowledges and agrees that the Dealer is entitled during the telephone conversation under letter c) above to deem any person which proves itself with a valid password under letter c) above to be the Authorized Person and this also during the acceptance of Orders with exception of the case when the Client notifies the Dealer of the facts pursuant to the previous sentence before the realization of the relevant communication including acceptance of an Order. In the case of notification of information pursuant to this paragraph, the Dealer shall terminate the validity of the password and issue a new password to the Client delivered to the Client in the manner pursuant to letter c) above.

- 8.2 The Client is entitled to choose for his/her communication with the Dealer also a combination of the ways according to paragraph 8 hereof and in such case the time of delivery of an Order shall be the time of its first delivery. If an Order delivered to the Dealer in several ways contains always different, contradictory information, the Dealer shall clarify such discrepancies with the Client if it is still possible before commencement of Provision of Transaction based on such Order. Should such discrepancies be not

eliminated before the commencement of the Provision of Transaction, the Dealer shall not execute the Order. If the Client delivers an Order to the Dealer in several ways and this Order contains always different, contradictory information and the Dealer has already commenced with the Provision of Transaction based on the Order that was delivered first and the Provision of Transaction may not be cancelled, the Dealer shall have the right to accomplish this Provision of Transaction without being liable for the damage, if any, caused in consequence of the contradiction of Orders.

8.3 The Dealer shall be obliged to communicate with the Client according to its choice within the full scope of the subject of performance of the Client Agreement in person or through Authorized Persons in the following possible ways:

- a) in person, at the address stated in the introductory provisions of the relevant Client Agreement or at another address of which the Client notified the Dealer in writing (e.g. in the List of Authorized Persons of the Client which constitutes an annex to the relevant Client Agreement); in case of personal handover of the notice on the result of Provision of Transaction such notice must be handed over in a written form and its acceptance must be confirmed on behalf of the Client by an Authorized Person determined in accordance with the relevant annex of the Client Agreement;
- b) by phone at the number announced by the Client (e.g. in the List of Authorized Persons of the Client which constitutes an annex to the relevant Client Agreement) after introducing himself by name and surname or the business name. A password may be required for verification of identity. The Client agrees that the phone calls may be recorded and such records may serve as evidence in case of a dispute between the parties;
- c) by fax, after announcing in writing the fax number (e.g. in the List of Authorized Persons of the Client which constitutes an annex to the relevant Client Agreement) to be used in communication with the Client;
- d) by registered letter to the address stated in the introductory provisions of the relevant Client Agreement or to another address of which the Client notified the Dealer in writing (e.g. in the List of Authorized Persons of the Client which constitutes an annex to the relevant Client Agreement);
- e) by means of the REUTERS or BLOOMBERG communication systems;
- f) by electronic mail only in the case that the Client expresses in writing its approval with such manner of communication and information provision. For this purpose, the Client shall also communicate in writing to the Dealer the address of the electronic box through which the communication with the Client will take place;
- g) by SWIFT, if the Client is connected to this system;
- h) by courier (with confirmation of receipt).

Notices in writing must be signed for the Dealer by an Authorized Person determined according to the relevant annex of the Client Agreement, with the exception of confirmations which will not be signed in any manner due to their nature.

The contact details for communication in the above-specified methods are given in the List of Authorized Persons of the Client which constitutes an annex of the relevant Client Agreement or which were communicated by the Client to the Dealer in other demonstrable manner in accordance herewith.

8.4 The Dealer is entitled to choose for its communication with the Client also a combination of the ways according to paragraph 8.3 hereof. If there is a contradiction in the contents of a notice handed over to the Client in several ways, decisive shall be that content which the Dealer subsequently determines to the Client as correct.

- 8.5 The Dealer shall have the right (but not obligation) to verify with the Client the authenticity of any order in case of any doubts, either by phone or in another way, and not to follow any such order until its authenticity has been satisfactorily verified.
- 8.6 The Dealer shall not be liable for mistakes or delays caused by transmission by means of fax, or if such transmission does not take place at all, for other consequences or damages caused by force majeure. The Client is aware that electronic communication by means of fax or electronic mail may result in the loss, destruction, incomplete or delayed delivery, unauthorized acquisition, use or abuse of the data transmitted. Therefore the Dealer and the Client shall be obliged to proceed always in such manner to minimize the risk of such loss of data as much as possible.
- 8.7 All notices, orders and communications sent in accordance with the relevant Client Agreement shall be deemed effectively delivered upon their factual delivery to the addressee with the proviso that an order or communication which is delivered after 16:30 of Prague Local Time on any Business Day may be deemed by the addressee delivered at 9:00 of the immediately following Business Day.
- 8.8 The Dealer undertakes to inform the Client without delay on the procedure and method of communication in case of a breakdown of the information system, the telecommunication devices and the recording devices used by the Dealer.
- 8.9 If one of the contracting parties updates the List of Authorized Persons, the new List of Authorized Persons shall be effective for the other contracting party on the first Business Day following the delivery of the new List of Authorized Persons to the other contracting party unless the contracting parties agree otherwise.
- 8.10 Provisions of this Section of the Investment Services Terms and Conditions applies to any communication between the Dealer and the Client, including, but not exclusively, Orders and Instructions.
- 8.11 The Client hereby undertakes to immediately notify the Dealer of any change in identification details which are specified in the heading of the relevant Client Agreement and/or provided by the Client to the Dealer in connection with conclusion of the relevant Client Agreement and to evidence such change in a proper manner.

## 9. Client Categorization Policy

- 9.1 In connection with the provision of investment services, the Dealer shall be obliged to perform categorization of its Clients. The Dealer shall provide different level of information and protection to each category in accordance with the Act on Undertaking on Capital Market and the implementing regulations. The Dealer shall distinguish three categories of Clients – Professional Client, Retail Client and Qualified Counterparty. The Retail Client is provided the highest level of protection by the Dealer and the Qualified Counterparty is provided the lowest level of protection by the Dealer.
- 9.2 The Dealer categorizes the Clients into respective categories based on information obtained from the Client Classification Questionnaire completed by the Client and based on additional information provided by the Client or gained by the Dealer during the contractual relationship.
- 9.3 The Dealer adjudicates on the classification of a Client into the relevant category and notifies the Client accordingly.

### *Professional Client*

- 9.4 A Professional Client means the Client that has sufficient expert knowledge, experience and findings in order to perform the Client's own decisions on investments and in order to assess properly the risk associated thereto while the Client is one of the following persons:
- (a) a person having a permission for activities on financial markets or is subject to regulation. Such person means a bank and an institution of e-money, savings and credit cooperation, Dealer, insurance company, reinsurance company, investment company, investment fund, pension fund;
  - (b) a person established for undertaking purposes which, according to the latest Financial Statements, meets at least two of the following requirements:
    - total amount of assets corresponding to, at least, EUR 20,000,000;
    - net annual turnover corresponding to, at least, EUR 40,000,000;
    - equity corresponding to, at least, EUR 2,000,000;
  - (c) a state or a member state of an federation, legal person, which is entitled to manage the state assets while procuring purchase, sale or administration of its receivables and other assets or during restructuring of business companies or other legal persons with state ownership interest, the Czech National Bank, a foreign central bank or European Central Bank, World bank, International Monetary Fund, European Investment Bank or other international financial institution;
  - (d) a person whose decisive activity is
    - provision of securitization;
    - trading on its own account investment instruments in order to reduce risk (hedging) from trades with financial, commodity and exotic derivatives and similar investment instruments, pursuant to the relevant provisions of the Act on Undertaking on Capital Market;
    - trading on its own account commodities or commodity derivatives with the right of physical delivery or right of cash settlement, pursuant to the relevant provisions of the Act on Undertaking on Capital Market;
  - (e) a foreign person with similar activities as any of the persons stated above.

### *Qualified Counterparty*

- 9.5 A Qualified Counterparty means a Professional Client except large business companies pursuant to paragraph 9.4, Point 1, letter b) hereof.
- 9.6 The Dealer is not obliged towards the Qualified Counterparty in the scope of main investment services of accepting and transferring orders concerning the Investment Instruments, execution of orders concerning the Investment Instruments on the account of the Client and trading the Investment Instruments on the Dealer's own account to observe the following obligations pursuant to the Act on Undertaking on Capital Market:
- (a) rules of dealing with clients;
  - (b) rules of communication with clients;
  - (c) rules of information for clients;
  - (d) rules for requesting information from clients;
  - (e) best execution policy;
  - (f) Orders processing policy;
  - (g) provision of information on orders and Client assets status.

#### *Retail Client*

- 9.7 A Retail Client is a client that is not classified either as a Professional Client or as a Qualified Counterparty.

#### *Changes in the Clients' Categorization*

- 9.8 The Client may ask the Dealer anytime during the contractual relationship for a change in the classification into a category, either generally for all the investment services or for a respective investment service and respective transaction.
- 9.9 In the case that the Client delivers to the Dealer a notification of changes in material facts for the categorization or an request for a change in the classification into a category, based on which the Dealer is obliged to perform the change in the classification of the Client, the Dealer shall consider the notification of changes of material facts for the categorization or a request for a change in the classification into a category, record the change and notify the Client of the change in the classification into a category.

### **10. Information on Inducements**

- 10.1 The Dealer may accept a fee, remuneration or non-monetary compensation in connection with the provision of an investment service (hereinafter referred to as the "Inducement") from a third party or the Dealer may provide such Inducement to a third party.
- 10.2 The Dealer may only provide or accept an Inducement in the case that:
- (a) the acceptance or provision of an Inducement is not in conflict with the obligation of the Dealer to act in qualified, honest and fair manner and in the best interests of the Client;
  - (b) there is no danger that as a consequence of the acceptance or provision of an Inducement a conflict of interest would occur (in the scope specified in the "Conflict of Interest Policy"); and
  - (c) the acceptance or provision of an Inducement results in improvement of quality of the service provided to the Client.
- 10.3 Also, Inducements which are necessary for the provision of an investment service are allowed, however, only in the case that their provision or acceptance is not in conflict with the Dealer's obligation to act with professional care and in the best interest of the Client.



- 10.4 Specific information concerning the Inducement in respect of a single investment service provided and a relevant investment instrument which is the subject thereof shall be provided by the Dealer to the Client before the commencement of provision of this investment service. Such information shall include mainly data on existence, nature and amount or value of the Inducement. The Client may get acquainted with current information on specific Inducements on the Internet pages.
- 10.5 Information on the amount or value of a specific Inducement pursuant to paragraph 10.4 hereof may be replaced by information on the method of calculation of the amount or value of the specific Inducement (e.g. expressed in %, in a formula or description of the method of calculation of the Inducement amount) in the case that this amount or value cannot be determined in advance.
- 10.6 The Dealer shall be obliged to communicate detailed information concerning the Inducements in relation to specific investment services and investment instruments which goes beyond the scope of the General information pursuant to 10.4 hereof only on an explicit request of the Client.

## **11. Statements**

11.1 The Client in respect of its person hereby declares that:

- a) he/she is a person which has a legal capacity to conclusion the relevant Client Agreement and to fulfil obligations arising therefrom;
- b) he/she does not breach legal regulations or his/her documents of association or internal legal regulations or any contractual relationship of whose the Client is a party by the conclusion of the relevant Client Agreement, fulfilling of obligations and exercising of rights arising therefrom;
- c) there are no circumstances existing or threatening, e.g. bankruptcy of the Client, filing of the petition to commence the insolvency procedure against the Client, court, arbitration or administrative proceedings, liquidation etc. which would prevent the Client from fulfilment of his/her obligations arising from the relevant Client Agreement or which should or could have material adverse effect on its financial or economic situation;
- d) he/she is fully entitled to dispose of the Investment Instruments without limitation which are the subject of an Order;
- e) by submitting an Order or Instruction or by their execution no legal regulations shall be breached, namely Sections 124 and 126 of the Act on Undertaking on Capital Market;
- f) the relevant Client Agreement was concluded in accordance with his/her documents of association and internal regulations governing the decision-making process.

11.2 The Client further declares that:

- (a) Any and all substantial information related to the Provision of Transaction, Settlement of Transaction, Safekeeping, Administration or Investment Conslutancy was provided to the Client before the conclusion of the Client Agreement in the scope hereunder, namely the notification of possible risks connected with the provided investment services and Investment Instruments and Securities and of the possibility of the Investment Instruments value loss on markets;
- (b) he/she is not aware of any facts which would prevent him/her from using the services of the Dealer pursuant to the relevant Client Agreement, mainly for the provision of purchase and sale of the Investment Instruments or other transactions with the Investment Instruments, Administration, Safekeeping or Investment Conslutancy;

- (c) he/she acknowledges that information of past development of Investment Instruments' rate serves for information purposes only and does not guarantee any future yield and that the value of the Investment Instruments may increase and drop in time;
- (d) he/she acknowledges that the Dealer is in no manner liable for losses incurred due to the change in value of an Investment Instrument or due to a breach of obligation of any person directly or indirectly bound from the Investment Instrument.
- (e) he/she provided the Dealer with all the data necessary for the performance of the Client classification and also for the assessment of proportionateness and in the case of the Investment Consultancy also of a suitability of the requested investment services and Investment Instruments which the Client may require and that these data are complete, true and undistorted;
- (f) he/she was informed in sufficient scope on the guarantee system provided by the Dealers Guarantee Fund Dealer established pursuant to the relevant provisions of the Act on Undertaking on Capital Market before the conclusion of the relevant Client Agreement, namely on the amount and scope of the compensation which may be provided from this fund, while he/she is aware that the Client is entitled to request further information on operation of this fund from the Dealer, namely on the conditions of the provision of compensation and the manner of its payment;
- (g) Any and all information provided by the Client to the Dealer in connection with the conclusion and fulfilment of the relevant Client Agreement are complete, accurate, correct and they are not misleading;
- (h) obligations stipulated in the relevant Client Agreement are valid, binding and enforceable in accordance with the conditions stipulated in the relevant Client Agreement (with the exception of limitations stipulated by Act No. 162/2008 Coll., Insolvency Act, or by other legal regulations which generally restrict the rights of creditors);
- (i) Any and all services and transactions for which the Client uses the Dealer based on the relevant Client Agreement are in all the aspects in accordance with any and all relevant legal regulations;
- (j) he/she acknowledges and agrees by the signature of the Client Agreement that any information on facts specified in Section 15f of the Act on Undertaking on Capital Market and information on their substantial change if such change is important for the investment service provided by the Dealer to the Client as well as any other information may be disclosed on the Internet pages under the conditions stipulated in legal regulations. In the case that the Client requires provision of any information in writing, he/she shall communicate his/her request to the Dealer. The Dealer shall be obliged to meet such a request;
- (k) he/she has access to the Internet service, he/she uses the service regularly and has the possibility to get acquainted with information stated on the Internet pages before the provision of an investment service by the Dealer;
- (l) If the Dealer and the Client agreed on information disclosure through electronic mail, the Client has the possibility to get acquainted with documents and information sent by the Dealer to the e-mail address communicated by the Client;

11.3. The Client hereby acknowledges that:

- (a) legal relationships between the Dealer and Trading Venues, Authorized Administrators and Settlement Systems may be governed by a foreign law or by rules and regulations of the specific Trading Venues, Settlement Systems and Authorized Administrators governing mainly the manner of trading, settlement of transactions and administration of the Investment Instruments or Securities traded at the relevant Trading Venue;

- (b) The Dealer is not liable for deductions for the purposes of securing the tax or for the proper fulfilment of tax obligations of the Client;
  - (c) The activity of the Dealer is subject to supervision or surveillance of the CNB, public administration bodies, the CDS or another organizer of the Regulated Market and therefore the relevant Client Agreement as well as other documents, information and personal data related to the Client and to the fulfilment of the subject of the relevant Client Agreement available to the Dealer may be made accessible to the supervising (surveillance) institutions to which the Client explicitly agrees. However, such accessibility must be in the scope necessary in the given situation and in accordance with generally binding regulations;
  - (d) Taking into account the fact, that within the fulfilment of obligations of the Dealer pursuant to the relevant Client Agreement, personal data of the Client or his/her employees and Authorized Persons will be collected and processed by the Dealer, the Client confirms with the signature of the relevant Client Agreement that the he/she agrees to such collection and processing of personal data for the above-stated purposes. And further, the Client confirms that where the generally binding regulations require so, he/she provided approvals to such collection and processing for the above-stated purposes from the Client's employees or, as the case may be, Authorized Persons, in the scope required by relevant legal regulations which approvals shall be substantiated on request. In other aspects, the processing of personal data shall be governed by Investment Services Terms and Conditions and the GBC;
  - (e) The Dealer does not consider tax connections in relation to the Client and his/her tax position during the Investment Consultancy unless stipulated otherwise by the Contracting parties in writing for a given case;
  - (f) The Dealer does not fulfil the obligation to inform on the share of the voting rights for the Client pursuant to the provision of Section 122 of the Act on Undertaking on Capital Market in connection with the Investment Instruments which are the subject of transactions pursuant to the relevant Client Agreement. The Dealer does not fulfil this obligation even in connection with the Agreement on Administration of the Investment Instruments, with regard to the exception pursuant to the provision of Section 122a par 1, letter c) of the Act on Undertaking on Capital Market.
- 11.4 For the purposes of the Agreement on Safekeeping of Securities, the Client also declares that:
- a) at the moment of handing-over of the Securities to the Dealer or the Secondary Custodian designated by the Dealer, he/she is the sole owner of these Securities which are not encumbered by any lien and no third-party rights are attached to them; and
  - b) Dealerhe/she shall be entitled to exercise any and all rights arising from the Securities without limitation; in the case that any of his/her rights arising from the ownership of any Security is limited in any way, the Client shall inform the Dealer thereof without undue delay.

## **12. Liability for Damage and Claims**

- 12.1. Liability for damage shall be governed by the provisions of the Commercial Code.
- 12.2. Regardless of the other provisions hereof or the Client Agreement, the Dealer shall in no way be liable for:
  - a) the loss of value of purchased or otherwise acquired Investment Instruments;
  - b) non-execution or incomplete execution of a submitted Order, if the Dealer during Provision of Transaction under such Order has fulfilled its obligations;

- c) errors made in settlement of transactions or rejected bank transfers caused by erroneous or inaccurate information provided by the Client, Authorized Person of the Client or any other third party;
  - d) any possible loss, damage or destruction of Securities accepted for Safekeeping due to fire, floods or other natural disasters or other causes occurred due to Force Majeure, i.e. not as a consequence of a fault or negligence on the part of the Dealer or, as the case may be, if the Dealer becomes a victim of a crime in connection with the acceptance, holding and delivery of Securities;
  - e) breach of obligation by any person bound from an Investment Instrument;
  - f) damage arising in consequence of any circumstance or event beyond the Dealer's control (in particular for the failure of a system supporting the functioning of a given market, the PSE, CDS, the Czech National Bank, Another Depository or for other unavoidable circumstances).
- 12.3 The settlement and the procedure for dealing with eventual complaints in relation to the Investment Services provided by the Dealer is governed by the Dealer's Claims Code which is published on the Dealer's Internet pages.
- 12.4 The Dealer hereby informs the Client on the possibility to file a complaint against the Dealer with a competent Supervisory Authority or the PSE or another organizer of the relevant Regulated Market.

### **13. Termination of the Client Agreement**

- 13.1 Unless stipulated otherwise in the relevant Client Agreement, the Client may terminate the relevant Client Agreement in writing at any time. Unless a later effect is stipulated in the notice, the notice becomes effective as of the Business Day following the day when the notice was delivered to the Dealer. The Dealer shall be obliged, without undue delay after the termination of the relevant Client Agreement, to inform the Client on transactions to be Provided for the Client in accordance with the previous sentence and on transactions whose Provision was not completed Dealer. Should loss may be incurred due to the non-completion of the Provision of Transaction pursuant to sole discretion of the Dealer, the Dealer shall inform the Client of the measures which must be taken in order to avoid it.
- 13.2 Unless stipulated otherwise in the relevant Client Agreement, the Dealer may terminate the relevant Client Agreement in writing with effect as at the end of the calendar month following the month in which the notice was delivered to the Client unless a later time arises from the notice. The Dealer shall be obliged to complete the Provision of Transactions arising from the Orders the Dealer received before the day of delivery of the notice to the Client.
- 13.3 The Dealer shall be also entitled to withdraw from the relevant Client Agreement under the conditions pursuant to paragraph 14.1 hereof.
- 13.4 The Dealer shall be obliged, without undue delay after the termination of the relevant Client Agreement or after the completion of the Provision of Transactions pursuant to paragraphs 13.1 and 13.2 hereof, according to which fact will occur later, to prepare any and all accounts, documents and other matters to be handed over to the Client.
- 13.5 The Client Agreement may also be terminated by an agreement of both contracting parties in writing.

### **14. Authorization and Cooperation**

- 14.1 The Client hereby authorizes the Dealer to perform any and all legal acts necessary to meet the purpose of the relevant Client Agreement. In the cases where any obligation pursuant to

the relevant Client Agreement which is to be met by one contracting party may only be reasonably performed with cooperation of the other contracting party, the other contracting party shall provide any cooperation necessary to perform such obligation on request of the first contracting party. The Client shall be obliged to grant a proper power of attorney to the Dealer should it be necessary for the Dealer to meet its obligations pursuant to the relevant Client Agreement as well as to make other necessary measures required by the Dealer and which are necessary for the Dealer to meet its obligations pursuant to the relevant Client Agreement. In case of Administration of the Investment Instruments, the Client also undertakes to issue and deliver documents to the Dealer which the Dealer may reasonably request for the purposes of meeting its obligations pursuant to the Client Agreement and adopt in time such measures to make the Dealer authorized in the necessary scope to give orders for handling the Investment Instruments. Failure to provide the necessary cooperation by the Client shall be deemed a substantial breach of the relevant Client Agreement. In such case the Dealer is entitled to withdraw from the relevant Client Agreement with immediate effect.

- 14.2 In case where it is necessary for performance of relevant services within the Provision of a Transaction to grant a special power of attorney or, as the case may be, present other documents, the Client shall be obliged to grant such power of attorney to the Dealer, present documents requested without undue delay after the Dealer asked the Client to do so. The Client shall be liable for the genuineness and completeness of these documents. The Dealer shall be entitled to reject these documents in the case of doubts or to ask for their completion.
- 14.3 By signing the relevant Client Agreement, the Client authorizes the Dealer to perform the necessary currency conversion, in case where the currency stated in the Order differs from the currency in which the Bank Trading Account is maintained or the SCA or in other cases if necessary for the proper provision of the services pursuant to the relevant Client Agreement, using the foreign exchange rate buy/sell announced by the Dealer on the day on which the conversion is made unless agreed otherwise by the contracting parties.
14. In case when it is necessary for performance of relevant services within the provision of the Investment Consultancy to grant a special power of attorney, the Client shall be obliged to grant such a power of attorney to the Dealer, without undue delay after the Dealer asked the Client to do so.

## 15. Temporary Provisions

- 15.1 In the case of agreements referring to the use of the Investment Services Terms and Conditions which were concluded before the date of 11 July 2011 (hereinafter referred to as the “**Original Agreements**”) the following temporary provisions shall apply:
- (i) if the Original Agreement refers to paragraph of Section 5 of the Investment Services Terms and Condition, it means the reference to the relevant paragraph of Section 8 of the Investment Services Terms and Conditions;
  - (ii) if the Original Agreement uses the term “Instruction” or “Instructions for Settlement” in relation to the Settlement of Transaction, it means the Order for Settlement of Transaction;
  - (iii) if the Original Agreement uses the term “Instruction” in relation to the “Securities Administration”, it means the Order for Administration of the Investment Instruments;
  - (iv) if the Original Agreement uses the term “Provision of Transaction” in relation to the settlement of a transaction, it means the Settlement of Transaction;
  - (v) if the Original Agreement uses the term “Securities Administration”, it means the Administration;
  - (vi) if the Original Agreement uses the term “Securities Safekeeping”, it means Safekeeping;
  - (vii) if the Original Agreement uses the term “Securities Deposit”, it means the Deposit;
  - (viii) if the Original Agreement uses the term “Security” in other connection than with Administration or Deposit, it means the Investment Instrument;
  - (ix) Client Agreements shall also mean the Original Agreements; and
  - (x) In the case of the Original Agreements, the provision of paragraph 1.7 of the Investment Services Terms and Conditions shall not apply in the scope that if the Investment Services Terms and Conditions govern a certain issue in a different manner from the Original Agreement, the relevant provision of the Investment Services Terms and Conditions shall apply with effect from 11 July 2011. However, if an Order or Instruction were given before the day of 11 July 2011, it will be performed in the manner and under the terms and conditions of the Original Agreement.

## 16. Final Provisions

- 16.1 The Client Agreements or information provided by the Dealer to the Client or by the Client to the Dealer, as the case may be, in connection with these Agreements shall be deemed confidential, except for such information that is or that becomes publicly available from other source than from one of the parties to the Client Agreement in conflict with the Client Agreements or which was already known to the respective third party. The Dealer and the Client hereby undertake not to disclose such confidential information to a third party without a prior written approval of the other party. This shall not apply to the duty to disclose such confidential information in accordance with applicable legal regulations or a decision of a competent public administration authority or a court.
- 16.2 If the Dealer maintains an account at the CDS for the Client, and the Client does not give the Dealer information about the new CDS participant through which he/she will access the CDS before the effectiveness of agreement termination, the Dealer is entitled to bill the Client any fees and the Remuneration according to the valid Pricelist associated with maintaining the Client’s account at CDS even after termination of the agreement.

- 16.3 The Dealer's main subject of business is the provision of banking services according to Sections 1 par. 1 and par. 3 of Act No. 21/1992 Coll., Act on Banks, as amended (hereinafter referred to as the "Banking Act") and the provision of investment services according to Sections 4 par.2 letter a), b), c), e), g) and h) and Sections 4 par.3 letter a), b), c), d), e) and f) of the Act on Undertaking on Capital Market.
- 16.4 The Dealer and its activities are subject to supervision by the CNB. The Client is entitled to turn to the CNB within the out-of-court settlement of complaints against the Dealer concerning or arising from the Client Agreements.
- 16.5 For the purposes hereof, the respective provisions of the GBC concerning the Client – consumer, differently regulating the relations adjusted for Clients – consumers in accordance with the Payment System Act, shall not be applied.
- 16.6 In case that terms and conditions of trading Investment Instruments at respective Trading Venues specified herein s, the conditions for the settlement of transactions or for maintenance of the Investment Instruments with third parties, conditions of safekeeping with a Secondary Depositor or conditions of the provision of services by Authorized Administrators, Settlement System or Secondary Administrator if their services are used by the Dealer change, the Dealer shall be obliged to adjust the Investment Services Terms and Conditions. The Dealer hereby undertakes to inform the Client on adjustments in the Investment Services Terms and Conditions without undue delay after the performance of such adjustments.
- 16.7 In case the Dealer modifies the Investment Services Terms and Conditions or any annex or part hereof otherwise than in a manner reflecting exclusively the changes pursuant to paragraph 16.6 hereof, the Dealer shall be obliged to inform the Client on the amendment hereof or issue of new Investment Services Terms and Conditions in a suitable manner at the latest within 30 days before the entry into force of the given amendment or before the issue of the new Investment Services Terms and Conditions. Within the same period the Dealer shall publish the amended or the new Investment Services Terms and Conditions at its business premises and on its website. If within the entry into force of the amendment or issuance of new Investment Services Terms and Conditions the Client does not express in writing its disagreement with the new or the amended version, the Dealer undertakes to follow the new or the amended version of the Investment Services Terms and Conditions.
- 16.8 The Dealer informs Clients of the draft Pricelist amendment at least 2 months before the proposed effectiveness date of the Pricelist amendment in the accounting report or by other suitable means, including information about the proposed effectiveness date of the Pricelist amendment. The Dealer is obliged to disclose the draft wording to Clients. The Client is obliged to familiarize himself/herself with the draft amendment either at the Dealer's business premises or on the Internet Website, where the Dealer is obliged to publish and have the draft amendment available.
- 16.9 In the case of newly provided Banking Services, the Bank is entitled to add these Banking Services to the Pricelist and disclose information about this addition and its effectiveness to the Client.
- 16.10 If the Client does not reject the written draft amendment at latest on the Business Day before the effective date, it applies that the Client accepted the draft Pricelist amendment with the effectiveness proposed by the Dealer.

- 16.11 Should the permanent residence of the Client be abroad, the Client hereby undertakes to hand over to the Dealer the original (authenticated copy) of a document proving his/her tax residency issued by the relevant revenue office (the so-called tax domicile) as of the day of effect of the relevant Client Agreement, at the latest, and also to present such document to the Dealer each year of the term of the contractual relationship based on the relevant Client Agreement, always by 31st January, at the latest. The Client acknowledges that should the Client fail to present such document on tax residency to the Dealer, taxation without using the advantages secured by the relevant double-taxation abolition agreement would be applied on the Client.
- 16.12 The Dealer and the Client hereby undertake that they will first attempt to resolve any and all possible disputes arising between them based on the relevant Client Agreement or in connection therewith including the issues of its validity (hereinafter referred to as the "Disputes") by mutual negotiations. In the case that a Dispute fails to be solved within 30 days from the day on which a contracting party was delivered an invitation to enter into negotiations about addressing solution of this Dispute, the Dispute shall be addressed by general courts of the Czech Republic. For such case, the contracting parties hereby agreed that the territorial jurisdiction of the court will be determined according to the registered office of the Dealer.
- 16.13 The following annexes form an integral part hereof:
- a) Definition of Terms;
  - b) Execution Policy;
  - c) Client's Assets Handling Policy;
  - d) Conflict of Interest Policy.
- 16.14 These Investment Services Terms and Conditions replace the Terms and Conditions for Trading with Investment Instruments from 7th June 2010. These Investment Services Terms and Conditions shall become valid and effective on 11 July 2011.