

BUSINESS CONDITIONS OF PPF BANKA A.S. FOR INVESTMENT SERVICES

1.	General Provisions	2
2.	General Information	5
3.	Information Provision	6
4.	Information on Risks	9
5.	Categorisation Rules	10
6.	Authorised Persons	11
7.	Orders.....	12
8.	Order Execution Rules	15
9.	Administration	17
10.	Settlement and Payment of Debts	19
11.	Register of Investment Instruments and the Guarantee Fund	20
12.	Costs	22
13.	Representations	23
14.	Conflicts of Interests and Inducements.....	24
15.	Liability.....	27
16.	Set-off, Limitation, Assignment and Transfer	28
17.	Communication	28
18.	Final Provisions	30
19.	Amendment and Effective Date of the Conditions	30

1. General Provisions

1.1 The Nature of the Conditions

- (a) These Business Conditions of PPF banka a.s. for Investment Services (the “**Conditions**”) lay down the principal rules for the relationships between the Bank and its Clients in the provisions of Investment Services by the Bank.
- (b) These Conditions constitute Specific Business Conditions issued in accordance with and further to the General Business Conditions (GBC). The Conditions form an integral part of each Agreement and other Investment Documents. In the event of a conflict between the Agreement, the Conditions and the GBC, the Agreement shall prevail over the Conditions and the GBC, and the Conditions shall prevail over the GBC. These Conditions have been issued under and in accordance with Section 1751 of the Civil Code.

1.2 Information about the Bank

- (a) The Bank is a legal entity that carries out the activities specified in its licence awarded by the CNB, i.e., the provision of banking services under Section 1(1) and (3) of Act No 21/1992 on Banks, as amended, and the provision of investment services under Section 4(2)(a), (b), (c), (e), (h) and (i) and Section 4(3)(a), (b), (c), (d), (e) and (f) of the Capital Market Act in relation to all Investment Instruments under the Capital Market Act.
- (b) When providing Investment Services, the Bank is subject to supervision by the CNB, to which Clients can resort with their questions and complaints.
- (c) Detailed information about the method and options for lodging complaints about the Bank’s activities can be found in the Complaint Rules of PPF banka a.s., which are available at the Bank’s registered office and on its Website.

1.3 Definitions

Capitalised terms or phrases used in these Conditions have the meaning specified in the GBC or below:

Authorised Administrator (*Autorizovaný správce*) means the CSD, the Euroclear or Clearstream international settlement centre, or another global or local administrator or settlement centre, the Bank, or any other party keeping Registers.

Bank (*Banka*) means PPF banka a.s., having its registered office at Praha 6, Evropská 2690/17, 160 41, Identification No. 47116129, incorporated in the Companies Register of the Municipal Court in Prague, file number B 1834.

PSE (*BCPP*) means the Prague Stock Exchange – Burza cenných papírů Praha, a.s., Identification No. 471 15 629, or its legal successor, if any.

CSD (*CDCP*) means the Central Securities Depository (Centrální depozitář cenných papírů, a.s.), Identification No. 250 81 489, or its legal successor, if any.

Price List (*Ceník*) means the Price List of Services of PPF banka a.s., containing an overview of the fees and charges for Banking Services and Investment Services of the Bank.

Securities (*Cenné papíry*) are certificated securities, dematerialised securities or immobilised securities in respect of which the Bank receives Orders.

CNB means the Czech National Bank (*Česká národní banka, ČNB*), having its registered office at Na Příkopě 28, 115 03 Praha 1, e-mail: info@cnb.cz, www.cnb.cz.

Tax (*Daň*) means any tax, levy, duty, fee or other payment, deduction or withholding of a similar nature (including associated penalties and fines).

Derivative Contract (*Derivátová smlouva*) means the CBA Master Agreement for Financial Transactions, ISDA Master Agreement, Global Master Repurchase Agreement, Master Agreement on Structured Deposits or any other agreement between the Client and the Bank, governing Derivative transactions, Repurchase transactions and Buy-Sell transactions. The Agreement on the Provision of Investment Services is not a Derivative Contract.

Debt (*Dluhy*) means the Client’s financial liabilities arising in connection with Orders, including, without limitation, Orders for the purchase of an Investment Instrument or any other act by the Bank under the Agreement, including Costs, and any monies due as compensation for damage sustained by the Bank as a result of the Client breaching its obligations under the Investment Documents.

Register (*Evidence*) means any relevant register of Investment Instruments.

Website (*Internetové stránky*) means the website as defined in the GBC.

Investment Documents (*Investiční dokumentace*) means any Agreement, these Conditions, the Categorisation Questionnaire, the Investment Questionnaire, any information documents concerning Investment Services, including, without limitation, Information on Risks and Investment Instruments, information relating to the Costs, List of Trading Venues, Brokers and Authorised Administrators, and any other document or agreement expressly referred to as an Investment Document.

Investment Questionnaire (*Investiční dotazník*) means the questionnaire presented by the Bank to the Client with a view to finding the Client's knowledge of and experience with Investment Instruments and Investment Services and, where applicable, other relevant information necessary for the Bank to provide Investment Services.

Investment Instrument (*Investiční nástroj*) means any investment instrument within the meaning of the Capital Market Act.

Investment Advice (*Investiční poradenství*) means non-independent personalised advice in respect of Transactions as the main investment service within the meaning of the Capital Market Act.

Investment Service (*Investiční služba*) is an investment service provided by the Bank to the Client under the applicable Agreement.

Client (*Klient*) means any natural or legal person with whom the Bank has entered or intends to enter into the relevant Agreement.

Confirmation (*Konfirmace*) means information given by the Bank about the execution of an Order, or the status of an Order that has not yet been executed, and/or other information, excluding, however, any information sent under a Derivative Contract, regardless of whether or not the Derivative Contract refers to such information as constituting a confirmation.

Client Contact Details (*Kontaktní údaje Klienta*) are the Client's contact details for communication between the Client and the Bank specified in the Authorisation.

Limit Order (*Limitní pokyn*) means an Order to buy or sell an Investment Instrument in respect of which a price limit has been specified.

Asset Account (*Majetkový účet*) means an Investment Instruments account maintained in the Bank's system, in which the Bank registers the Client's Investment Instruments. The Bank does not register Investment Instruments traded under Derivative Contracts in Asset Accounts.

Recordings (*Nahrávky*) have the meaning defined in Section 17.2(a)(i).

Costs (*Náklady*) include:

- (i) the Bank's charges for Investment Services set out in the Price List, in the Agreement, and in the information documents on the Investment Instruments marketed by the Bank, and any other charges on which the Client and the Bank may agree;
- (ii) any reasonably incurred costs (including any fees and charges of third parties involved in the provision of Investment Services, including, without limitation, the fees paid to Authorised Administrators), incurred by the Bank in connection with the provision of Investment Services and/or with the conclusion, performance, amendment or termination of the Agreement, and, if applicable, with a breach of the Agreement by the Client, including costs incurred by the Bank for the protection or exercise of any right of the Bank under the Agreement, and Taxes paid by the Client through the Bank;
- (iii) in respect of the Investment Services provided in relation to the Transactions, the difference between the price of the Investment Instrument for the Client and the fair value that is evaluated by the Bank at the time the Transaction is negotiated or at the time of the quotation. The fair value always takes into account the bid-ask range; and
- (iv) in respect of some Investment Services, the costs of the Investment Service are already included directly in the price for the Investment Instrument.

Retail Client (*Neprofesionální zákazník*) is a Client whom the Bank has categorised as a non-professional client within the meaning of Section 5.4, or a Client re-categorised to a Retail Client according to Section 5.5(a).

Transaction (*Obchod*) means the purchase or sale of an Investment Instrument, but excludes Derivative Transactions.

Trading Facility (*Obchodní systém*) has the meaning given in the Capital Market Act.

Provision of Transaction (*Obstarání obchodu*) means the carrying out of activities by the Bank with a view to attaining the Transaction, i.e. the purchase or sale of an Investment Instrument.

Authorised Person (Oprávněná osoba) means the Client (if the Client is a natural person) and/or the person authorised by the Client to act on behalf of the Client to the extent set out in the Authorisation.

Inducement (Pobídka) means a fee, commission or non-monetary benefit paid or provided to or by the Bank to or from a third party in connection with the provision of an Investment Service.

Conditions (Podmínky) mean these *Business Conditions of PPF banka a.s. for Investment Services*, as amended from time to time following the procedure set out in Section 19.

Order (Pokyn) means any order given by the Client under the applicable Agreement in respect of the handling of Investment Instruments or money, or of other acts of the Bank under the applicable Agreement, where such Agreement provides for giving orders. Under the terms of Section 7.1(a), negotiation of a Transaction under the Derivative Contract may also be considered as the execution of order.

Authorisation (Pověření) means the form designated by the Bank whereby the Client authorises Authorised Persons to carry out acts specified therein.

SDR (PPN) means the suspension of the right of the holder to handle an Investment Instrument within the meaning of Section 97 of the Capital Market Act.

Professional Client (Profesionální zákazník) is a Client whom the Bank has categorised as a professional client within the meaning of Section 5.3, or a Client re-categorised to a Professional Client according to Section 5.5(a).

Pre-contractual Information (Předmluvní informace) is information referred to in Section 3.1(a).

Trading Venue (Převodní místo) is a trading venue as defined in the Capital Market Act.

List of Trading Venues, Brokers and Authorised Administrators (Seznam Převodních míst, brokerů a Autorizovaných správců) means the document *List of Trading Venues, Brokers and Authorised Administrators*, which is available on the Website and provided to Clients as part of Pre-contractual Information.

Agreement (Smlouva) means:

- (i) Agreement on the Provision of Investment Services;
- (ii) Any Derivative Contract, except for Section 7 to 11, which do not apply to Derivative Contracts, unless these Conditions stipulate for specific cases otherwise;
- (iii) And any other agreement or contract between the Client and the Bank into which these Conditions are incorporated.

Speculative Derivative Transaction (Spekulativní derivát) means a Derivative Transaction that fulfils the characteristics of a packaged retail investment product within the meaning of Article 4 par. 1) of Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014, on key information documents for packaged retail and insurance-based investment products (PRIIPs), i.e. in particular Derivative Transactions arranged with the intention of subsequent sale with profit or generation of revenue.

Administration (Správa) means the Bank's acts on behalf of the Client necessary to exercise and maintain the Client's rights related to Investment Instruments to the extent set out in the Agreement and these Conditions, which does not constitute [a] trust within the meaning of the Civil Code.

Derivative Transaction (Transakce) is a transaction with an Investment Instrument under a Derivative Contract.

GBC (VOP) means the current *General Business Conditions of PPF banka a.s.*, published by the Bank at its Places of Business and on its Website.

Statement (Výpis) means a statement of the Client's Asset Account or a statement of another account or Register.

Settlement (Vypořádání) is the transfer of Investment Instruments between parties to a Transaction or a transfer resulting from an Investment Instrument title passing or from other facts, and, where applicable, the settlement of the financial liabilities related to such transfer.

Client Account (Účet Klienta) means the Client's cash account specified in the Authorisation.

Minutes (Zápisy) have the meaning given in point 17.2(a)(ii).

Communication (Zásilka) means any written communication, notice or information delivered under or in connection with the Agreement.

Capital Market Act (ZPKT) means Act No 256/2004, on Capital Market Undertakings, as amended.

Eligible Counterparty (Způsobilá protistrana) is a Client whom the Bank has categorised as an eligible counterparty within the meaning of Section 5.2.

1.4 Interpretation

- (a) The following rules shall be followed for interpreting the provisions of these Conditions and other Investment Documents:
 - (i) The headings of sections and paragraphs serve for convenience only and not for interpretation;
 - (ii) Words and expressions in the singular also include those in the plural, and vice versa;
 - (iii) **Applicable regulations** mean legislation, including, without limitation, directly applicable legislation of the European Union, the Capital Market Act and implementing legislation, and also the rules of Trading Venues and Authorised Administrators;
 - (iv) **A buy Order** means an Order for the Provision of Transaction, which is the purchase of an Investment Instrument, and a **sell Order** means an Order for the Provision of Transaction, which is the sale of an Investment Instrument;
 - (v) **CZK** and **Czech crown** mean the legal tender of the Czech Republic.
- (b) Any reference to a Section, paragraph, letter-denoted clause, or point is regarded as a reference to a Section, paragraph, letter-denoted clause, or point of these Conditions.

2. General Information

2.1 Investment Services of the Bank

- (a) The Bank provides Investment Services solely on the basis of an Agreement. The relationships between the Client and the Bank on which the relevant Agreement, these Conditions and/or the GBC are silent shall be governed by Czech law, including, without limitation, the applicable provisions of the Capital Market Act and other applicable regulations. In the event of any conflict between non-mandatory provisions of the applicable regulations on the one hand and customary practice and generally accepted customs on the relevant financial market on the other hand, such practice and customs shall prevail. For the avoidance of all doubt, however, the provisions of the Agreement, these Conditions, and the GBC shall prevail over such practices and customs.
- (b) The Bank provides Investment Services related to the Investment Instruments for which it may provide such Investment Services under the applicable permissions and the provision of which it is actually able to arrange. A list of the Investment Instruments for which the Bank provides Investment Services is contained in the document *Information on Risks and Investment Instruments*, which is available on the Website and which the Bank provides to Clients as part of Pre-contractual Information.
- (c) Provision of Transactions and Settlement constitute the main investment service of the acceptance and transmission of orders within the meaning of Section 4(2)(a) of the Capital Market Act and the execution of orders within the meaning of Section 4(2)(b) of the Capital Market Act. Administration is an ancillary investment service of investment instrument custody and administration, including the related services, within the meaning of Section 4(3)(a) of the Capital Market Act. The conclusion of Derivative Transactions is a main investment service of dealing in investment instruments on own account within the meaning of Section 4(2)(c) of the Capital Market Act.
- (d) The Bank does not provide Investment Advice, except for Clients with whom it has concluded an agreement whereby the Bank has explicitly agreed to provide Investment Advice. In the event of doubts, it is understood that any Agreement in question does not provide for the Investment Advice service and the Bank does not provide Investment Advice.
- (e) The Bank has the right to use third parties to meet its obligations under the relevant Agreement. The Bank applies due professional care when selecting such third parties. The Client incurs neither rights nor obligations from the Bank's acts in relation to the third parties that the Bank is using for the provision of Investment Services. The Bank shall provide Clients, at their request, with information about the third parties through which it provides Investment Services.
- (f) The Bank does not allow the Clients, who are Retail Clients, to enter into Transactions that fulfil the characteristics of a Speculative Derivative Transaction, unless the Bank and the respective Client have expressly agreed otherwise. In the event of a doubt as to whether the Bank and the relevant Client, who is a Retail Client, have explicitly agreed the possibility of entering into Transactions fulfilling the characteristics of a Speculative Derivative Transaction, it is considered that no such possibility has been agreed and the Bank does not allow the relevant Client to enter into Transactions fulfilling the characteristics of a Speculative Derivative Transaction.

3. Information Provision

3.1 Information Provision before the Agreement Is Concluded

(a) The Bank shall provide the Client with the following Pre-contractual Information before an Agreement is concluded:

(i) **Information about the Bank and its business:**

The Bank is a legal entity that carries out the activities specified in the licence awarded by the CNB, namely the provision of banking services under Section 1(1) and (3) of Act No 21/1992 on Banks, as amended, and the provision of Investment Services under Section 4(2) (a), (b), (c), (e), (h) and (i) and Section 4(3)(a), (b), (c), (d), (e) and (f) of the Capital Market Act. Additional information about the Bank can be found on its Website at www.ppfbanka.cz.

(ii) **Contact details of the Bank:**

The contact details of the Bank are posted on the Bank's Website in the Contacts section, in the Financial Markets part, and in the document *Contact Details and Authorised Persons of PPF banka a.s.* and also in the footnote in these Conditions.

(iii) **Information on Investment Services provided under Agreements:**

Under the relevant Agreement the Bank provides, in particular, but without limitation, the services of the Provision of Transactions, Settlement, Administration and the conclusion of Derivative Transactions. Provision of Transactions and Settlement is the main investment service of the acceptance and transmission of orders within the meaning of Section 4(2)(a) of the Capital Market Act and the execution of orders within the meaning of Section 4(2)(b). Administration is an ancillary investment service of investment instrument custody and administration, including the related services, within the meaning of Section 4(3)(a) of the Capital Market Act. The conclusion of Derivative Transactions is a main investment service of dealing in investment instruments on own account within the meaning of Section 4(2)(c) of the Capital Market Act.

Information on the Investment Services that are the subject matter of an Agreement is set out in the introductory provisions of the Agreement and also in Section 2.1 of these Conditions.

(iv) **Name and registered office of the authority responsible for exercising supervision over the Bank's operation:**

When providing Investment Services the Bank is subject to supervision of the Czech National Bank, having its registered office at Na Příkopě 28, 115 03 Praha 1, e-mail: info@cnb.cz, www.cnb.cz.

Clients can resort to the CNB with their questions and complaints.

(v) **Details of the method of computing the final price for the Investment Service provided:**

Information on the Costs, i.e. the fees and other payments related to Investment Instruments and Investment Services is set out in Section 12 of these Conditions and also in the Agreement, in the Price List and, if applicable, in the information documents for the various Investment Instruments. The Bank has also posted some examples of Cost calculation scenarios for the various Investment Services, in the document *Model Cost Scenarios and Costs and Fees Relating to Derivative Investment Instruments*, on its Website.

(vi) **Details of the taxes or costs that are not paid through the Bank or that the Bank does not collect:**

Only the Taxes that directly apply to Transactions (for example, the stamp duty in the United Kingdom) or to the holding of Investment Instruments in the relevant Registers are paid through the Bank. The Bank also pays the VAT that it has charged to the Client where the services provided by the Bank are subject to the VAT. With the exception of the above, the Bank does not pay or collect any other Taxes. Clients are responsible for, in particular, but without limitation, their income tax returns and payments.

(vii) **Potential risks beyond the Bank's control associated with Investment Services:**

General information on risks is set out in Section 4 of these Conditions.

The Bank also provides Clients with the document *Information on Risks and Investment Instruments*, which also contains, in addition to the description of general risks, the specific risks such as the credit risk, the market risk, the concentration risk, the market liquidity risk, the operational risk, the derivative Investment Instruments risk, and also information about risks associated with each class of Investment Instruments.

Where the Bank actively markets any Investment Instrument to Clients it provides Clients with information documents that further describe certain risks concerning the Investment Instrument being marketed.

The Bank hereby advises Clients that historical returns are no guarantee of future returns.

(viii) **Conditions of the Agreement:**

The conditions of the Agreement are comprised of the contract conditions contained in the text of the Agreement, these Conditions, the GBC, and the Price List and other documents to which the Agreement, the Conditions, the GBC or the Price List refer.

(ix) **Orders and the rules for the execution thereof:**

Information on Orders is set out in Section 7 of these Conditions and the rules for the execution of Orders are set out in Section 8 of these Conditions.

(x) **Advice on the option to withdraw from the Agreement:**

Clients have no option to withdraw from the Agreement. Nevertheless, Clients can terminate the Agreement at any time within the period of notice set out in the Agreement, which is not longer than one month.

(xi) **Advice on the right of each of the parties to terminate early or unilaterally an obligation under the Agreement on the basis of contract conditions, including advice on any penalties:**

In respect of Derivative Contracts, each of the parties has the right to unilaterally terminate obligations from Derivative Transactions, subject to the occurrence of certain facts required by the relevant Derivative Contract. Such unilateral termination is not subject to any penalty.

In respect of other Agreements, neither Clients nor the Bank have the right to unilaterally terminate an obligation under the Agreement except for cases laid down in the applicable regulations, for example, Section 2001 of the Civil Code.

(xii) **The shortest time for which the Agreement will be binding on both parties:**

The Agreement is binding on the parties until it is terminated. With regard to the periods of notice for the relevant Agreements, this time will not exceed two calendar months.

Before using the relevant Investment Service of the Bank, the Client does not incur any direct Costs under a concluded Agreement.

(xiii) **Communication language:**

The language in which Clients will communicate with the Bank and in which Clients will receive documents and other information is governed by the language of the Agreement. Clients have the right to select the Czech or the English language for the Agreement. In case of marketing an Investment Instrument, the Bank has the right to provide information on such instrument in the Czech or the English language only, regardless of the language selected by the Client.

(xiv) **Communication method:**

The communication method is described in these Conditions, in Section 17 and, in the case of Orders, in Section 7.2.

(xv) **The nature, frequency and dates of reporting on Investment Services:**

This information is set out primarily in, without limitation, Confirmations and statements of Asset Accounts. The frequency of Confirmation sending is set out in Section 7.8. The frequency of Statement sending is set out in the Agreement.

(xvi) **Description of the protection of Clients' assets:**

Information on the manner in which the Bank treats Clients' assets is set out primarily in, without limitation, clause 2(c) of the Agreement on the Provision of Investment Services (prohibiting the use of Clients' assets for the Bank's needs) and in the following provisions of these Conditions: Section 10.2 (concerning the payment of Clients' financial debts), Section 11 (describing the registers of Investment Instruments and the Guarantee Fund of Investment Firms (*Garanční fond obchodníků s cennými papíry*)), Section 15 (describing the Bank's liability), and Section 16 (on set-off and assignment).

(xvii) **Description of measures to prevent conflicts of interests and information on Inducements:**

This description and information is set out in Section 14.

(xviii) **Information on Investment Instruments, containing a general description of their nature and risks:**

This information is set out in Section 4 and in a separate document *Information on Risks and Investment Instruments* posted on the Website, which the Bank also provides to Clients on a durable medium in the manner selected by the Client.

(xix) **Designation of the member state(s) of the European Union, the legislation of which forms the basis of the relationship between Clients and the Bank before the Agreement is concluded:**

The Czech Republic is such state.

(xx) **Information on the provision in an agreement, on the governing law and the competence of courts in case of disputes under the Agreement:**

This information is set out in the final provisions of the relevant Agreement and in Sections 18.3 and 18.4 of these Conditions.

All Agreements except for the ISDA Master Agreement and the Global Master Repurchase Agreement are governed by Czech law.

The ISDA Master Agreement and the Global Master Repurchase Agreement are governed by English law and for disputes under these agreements courts in England are competent.

Where the applicable regulations allow, the court for Praha 6 is competent. In other cases, the competence of courts is governed by the applicable regulations.

(xxi) **Information on the existence, method and conditions of out-of-court settlement of consumer complaints, including whether consumers can resort to an oversight/supervision body with their complaints:**

Every Client can resort to the body that exercises supervision over the Bank, which is the CNB (on this, see point (iv) of this Pre-contractual Information).

Clients-consumers can resort to the Financial Arbitrator, the body for out-of-court dispute settlement set up by the Czech Republic. More information on the Financial Arbitrator can be found on their website at www.finarbitr.cz.

(xxii) **Information on the existence of a compensation fund:**

Clients' assets entrusted to the Bank are protected by the Investor Compensation Fund. This Compensation Fund is described in more detail in Section 11.5. Protection by the Compensation Fund does not cover Clients whose assets are excluded from protection by the law.

(xxiii) **The time for which stated information, including that on price, remains valid:**

The Bank has the right to unilaterally change these Conditions, the Price List and other documents to which this Pre-contractual Information refers. The method for changing the Conditions and the Price List is described in Section 19 of these Conditions.

(xxiv) **Information on the used Trading Venues and third parties, to which Bank transmits Orders:**

This Information is set out in the document *List of Trading Venues, Brokers and Authorised Administrators*.

- (b) The preferred method of the Bank to provide Pre-contractual Information is on the Website, providing that the Client has agreed with this method of information provision in the document *Consent and Representations Related to Investment Service Provision* and has given the Bank the details required for the Bank to be able to notify the Client electronically of the Website address and the place where the information can be found there. Should it not be possible to provide Pre-contractual Information on the Website address, it is delivered to the Client in the form selected in the document *Consent and Representations Related to Investment Service Provision*.

3.2 Information Provision throughout the Duration of the Contractual Relationship

- (a) Throughout the duration of the contractual relationship the Bank provides Clients with the following information:
- (i) **on the Investment Instruments that are appropriate for the Client:** the Bank provides this information in the document *Information on the Investment Profile*;
 - (ii) **on Recordings, Minutes and other records of communications:** the Bank provides this information under the conditions in Section 17.2;

- (iii) **on Costs and Cost breakdown:** the Bank provides this information under the conditions in Section 12;
- (iv) **on the status of Order execution, including information on Order execution:** the Bank provides this information under the conditions in Section 7.8;
- (v) **Statements of Asset Accounts:** the Bank provides this information under the conditions of the Agreement and Section 11.3;
- (vi) **on Inducements, on conflicts of interests and on measures related therewith:** the Bank provides this information subject to Section 14.

3.3 Information about Clients

- (a) Clients shall provide the Bank with information for the purpose of Client categorisation under clause 5.1(a).
- (b) Clients (except for Clients who are consumers) shall supply the Bank with their LEI (Legal Entity Identifier) code and shall maintain such LEI code in effect throughout their contractual relationship with the Bank. The obligation to have a LEI code concerns legal entities as well as individuals acting in a business capacity and other self-employed persons.

3.4 Investment Questionnaire

- (a) The Bank provides the Provision of Transaction service only to those Retail Clients who have given the Bank the information required by the Investment Questionnaire. Where a Retail Client refuses to complete the Investment Questionnaire the Bank will only provide the Client with the Settlement and Administration services.
- (b) The Client shall notify the Bank of any material change in the information that the Client has given the Bank through or in connection with the Investment Questionnaire.
- (c) The Bank has the right to require the Client at any time to confirm that the information provided through the Investment Questionnaire is valid, current and complete or to complete a new Investment Questionnaire, and the Client shall provide assistance to the Bank for this purpose. The Bank has the right to refuse to provide the Provision of Transaction service to the Client before the Client provides the assistance under the preceding sentence.
- (d) Clients who are legal entities shall ensure that any person who provides the Bank with information for the purposes of the Investment Questionnaire is authorised to provide such information and that such person has a fair overview of the knowledge and experience of the Client and its Authorised Persons and also of the Client's risk appetite.
- (e) Clients shall ensure that any Authorised Person who is authorised to submit Orders for the Provision of Transactions or for concluding a Derivative Transaction has knowledge and experience no less or worse than the knowledge and experience stated in the Client's Investment Questionnaire.

4. Information on Risks

4.1 General Information on Risks

- (a) Transactions and Derivative Transactions with Investment Instruments are associated with risks. In general, the higher the expected return and/or the longer the duration of the Transaction or Derivative Transaction, the higher the potential risk of loss. The yields of the various Investment Instruments achieved in the past are not a guarantee of yields achieved in the future.
- (b) Clients shall learn as much as possible about the risks associated with the Transaction or Derivative Transaction they are considering, and in case of ambiguities or queries, they shall consult such Transaction or Derivative Transaction with their financial, legal, accounting and/or tax advisers, and may also request additional information from the Bank. The Bank is only authorised to provide Clients with objective information that does not include the Bank's assessment of the Investment Instrument or the Investment Service.
- (c) Dealing in Investment Instruments is associated with the risk that the expected yield is not achieved, or the risk of loss. Where a Client does not fully understand the conditions of the execution of Transactions or Derivative Transactions and the extent of the potential loss of invested funds or, in certain cases, even a loss exceeding invested funds, the Client should not engage in such Transactions or Derivative Transactions. Clients should be aware that in the case of dealing in derivatives and instruments that use the leverage effect (such as futures and options) the risk of loss is not limited by the value of the invested funds, but can even exceed this value (i.e. the loss can be greater than the amount of the invested funds). Dealing in derivative Investment Instruments therefore requires specific knowledge and experience.

- (d) Certain Derivative Transactions, Transactions, markets and Investment Instruments are not subject to standardised conditions and rules. Examples include the conditions of Derivative Transactions or Transactions with bonds concluded outside regulated markets, which are also referred to as OTC Derivative Transactions/Transactions. With regard to the nature of such Derivative Transactions or Transactions and the absence of regulated markets, the Client cannot expect to have the opportunity under all circumstances to buy an Investment Instrument, close their position, or terminate early a Derivative Transaction or Transaction with an Investment Instrument at a price that the Client expects. In extreme cases, no price may be available at the time and the Client will then have no opportunity at all to carry out the required Derivative Transaction or Transaction, disposition with an already concluded Derivative Transaction or Transaction or an operation with an Investment Instrument during that time. Clients should familiarise themselves with the conditions of each non-standardised Derivative Transaction or Transaction or method of trading in detail, including with the help of their financial, tax or legal advisors.

4.2 Overview of Risks

The main types of risks associated with Investment Instruments and Investment Services on the capital market include the credit risk, the market risk, the concentration risk, the liquidity risk and the operational risk. The market risk includes, without limitation, the interest rate risk, the currency risk, the equity risk and the commodity risk, but the inflation risk, the correlation risk and the volatility risk can also be identified within the market risk. A detailed description of the various types of risk, including examples of reducing such risks, can be found in the document *Information on Risks and Investment Instruments* posted on the Website; the Bank also provides this document to Clients as part of Pre-contractual Information.

5. Categorisation Rules

5.1 General Information on Categorisation

- (a) In connection with providing Investment Services, the Bank shall categorise its Clients into one of the following three client categories: Eligible Counterparty, Professional Client and Retail Client. Each client category is provided with a different level of information and protection under the Capital Market Act and applicable regulations. Retail Clients are provided with the highest and Eligible Counterparties with the lowest degree of protection.
- (b) The Bank decides on the inclusion of a Client in the appropriate category and shall inform the Client about its decision.

5.2 Eligible Counterparty

- (a) Eligible Counterparty means the person specified in Section 2a(1) of the Capital Market Act.
- (b) When providing the main Investment Services of (x) accepting and transmitting orders concerning Investment Instruments, (y) executing orders concerning Investment Instruments on behalf of the client, and (z) dealing in Investment Instruments on own account, the Bank in relation to Clients who are Eligible Counterparties does not perform the obligations under the Capital Market Act concerning its communicating with clients, providing information to clients, requiring information from clients, best execution of orders, processing of orders or providing information on orders and on the status of the assets of the client, unless the Investment Documents or a written agreement between the Client and the Bank expressly stipulate otherwise.

5.3 Professional Clients

- (a) Professional Client means a Czech or foreign person established for the purpose of undertaking business, which meets at least two of the following requirements according to the latest financial statements:
- (i) a balance sheet total of at least EUR 20,000,000;
 - (ii) an annual net turnover of at least EUR 40,000,000;
 - (iii) own funds of at least EUR 2,000,000.
- (b) Where a Client who is a Professional Client so requests the Bank, then in relation to such Client the Bank, when providing the main Investment Services of (x) accepting and transmitting orders concerning Investment Instruments, (y) executing orders concerning Investment Instruments on behalf of the client, and (z) dealing in Investment Instruments on own account, does not perform the obligations under the Capital Market Act concerning its dealing and communicating with clients, providing information to clients, requiring information from clients, best execution of orders, processing of orders or providing information on orders and on the status of the assets of the client.

- (c) The request under point (b) above shall be made on the Bank's form. The request shall be made in respect of all Investment Instruments and Investment Services. The Bank is not obliged to act on such request.
- (d) A Client who is a Professional Client and in respect of whom the Bank is not performing obligations within the meaning of point (b) above has the right to request the Bank at any time to perform such obligations in relation to them. The request under the preceding sentence shall be made on the Bank's form. The Bank shall act on such request.

5.4 Retail Clients

Retail Client means a Client who has not been categorised as a Professional Client or an Eligible Counterparty.

5.5 Re-categorisation

- (a) The Client can request the Bank at any time to re-categorise them:
 - (i) from an Eligible Counterparty to a Professional Client or a Retail Client;
 - (ii) from a Professional Client to a Retail Client; or
 - (iii) from a Retail Client to a Professional Client,

but solely for all Investment Services and for all Investment Instruments. The request shall be made on the Bank's form and in case of a request under point (iii) above the Client shall prove to the Bank that they satisfy at least two of the following criteria:

1. The Client has carried out transactions with the Investment Instrument that the request concerns, in significant size, on the relevant financial market at an average frequency of at least 10 per quarter over the previous four consecutive quarters.
2. The size of the Client's assets, comprised of cash deposits and Investment Instruments, is at least EUR 500,000.
3. The Client has carried out for at least one year, or is carrying out in connection with the performance of their employment, occupation or position, activities in the financial market, which require knowledge of the transactions or services that the request concerns.

The Bank is not obliged to act on the Client's request under point (iii) above.

- (b) A Client who is a Retail Client and whom the Bank has, at the Client's request, categorised as a Professional Client has the right to request at any time that the Bank treats them as a Retail Client again. The request under the preceding sentence shall be made on the Bank's form. The Bank shall act on such request.
- (c) Where a Client notifies the Bank of changes in the facts relevant for categorisation, on the basis of which the Bank shall re-categorise the Client, the Bank reviews the notification, records the change, and notifies the Client of their re-categorisation.

6. Authorised Persons

- (a) Any Order, any conclusion or amendment of a Derivative Transaction or any other act under the Agreement may only be made by an Authorised Person. The Client is bound by an act that the Bank bona fide regards as an act of the Authorised Person. The Client notifies the Bank of Authorised Persons through the Authorisation or in another manner acceptable for the Bank. If the Authorisation is updated the new Authorisation is effective in respect of the Bank on the first Business Day following the delivery of the new Authorisation.
- (b) In connection with acts of an Authorised Person under the Agreement, the Bank has the right to request the Authorised Person to prove their identity in a manner satisfactory for the Bank (the "**Verification**"). A satisfactory Verification means:
 - (i) in case of communication over the telephone: communicating the agreed password, and possibly the Authorised Person's personal data required by the Bank;
 - (ii) in case of written communication other than via e-mail or through an electronic system: signature matching the Authorised Person's specimen signature; and
 - (iii) in case of e-mail communication: sending of the e-mail message from the Authorised Person's e-mail address specified in the Authorisation.

Failure to carry out the Verification or full Verification does not affect the validity of the Authorised Person's or the Client's act. In case of doubts about the Authorised Person's identity the Bank is not obliged to act on the Order or another act made by the Client.

- (c) The Client and the Authorised Person shall maintain the password in secrecy and shall not disclose the password to any third party. The Client and the Authorised Person shall notify the Bank without any delay of the loss of the password, or of any information indicating that the password can be abused. In such a case the Bank invalidates the password and issues a new password.
- (d) The Bank has the right at any time to check with the Client the authenticity of any Order or another act, either over the telephone or otherwise, and to refrain from acting on such Order or act until the satisfactory Verification of its authenticity.

7. Orders

7.1 General Provisions

- (a) Where the Bank and the Client negotiate a Derivative Transaction under a Derivative Contract on Bank's own account within the meaning of Section 4(2)c) of the Capital Market Act, entering into such Derivative Transaction is considered as the execution of an Order and the rules of the best execution of Orders under Section 8.3(i) apply to such Derivative Transactions, Sections 7.2 to 7.8 do not apply and other provisions of these Conditions relating to Orders apply reasonably, in each case provided that the Client is:
 - (i) a Retail Client;
 - (ii) a Professional Client who has been re-categorised according to Section 5.5(a)(iii); or
 - (iii) a Professional Client where it is not clear from the circumstances of the relevant Derivative Transaction, whether the Client does not deal with the Bank in reliance on the performance of the service by the Bank under the best possible conditions.

In all other cases, the negotiation of Derivative Transactions under the Derivative Contract shall not be considered as the execution of the Orders, and any such provisions of these Conditions regarding the Orders (including the rules of the best execution) shall not apply unless the Client and the Bank expressly agree otherwise.

- (b) The Client cannot submit a sell Order if on the day of submitting such Order the Client does not hold the Investment Instruments that are the object of such Order or such Investment Instruments are not subject to the Settlement of the Client's buy Transaction. At the Bank's request the Client shall prove, in a manner acceptable for the Bank, that they hold the Investment Instruments that are the object of their sell Order. Before the Client proves this fact to the Bank the Bank has the right to defer the execution of the Order or to refuse to execute the Order.

7.2 Order Submission Method

Clients submit Orders through their Authorised Person in the manner described in Section 17 unless the Agreement expressly stipulates otherwise. The Order is binding from the moment it is communicated to the Bank if the Order is communicated to the Bank over the telephone, or from the moment it is delivered to the Bank if the Order is communicated to the Bank in another manner, until the day determined by the Client, however, for no longer than the time specified in these Conditions.

7.3 Required Details of Orders

- (a) The basic details required for all Orders include the following:
 - (i) The name and surname and the Birth ID Number of the Client, or the date of birth if the Client does not have a Birth ID Number, or, if the Client is a legal entity, its name and its Identification Number;
 - (ii) The name and surname of the Authorised Person;
 - (iii) The name and ISIN or other identification of the Investment Instrument that the Order concerns;
 - (iv) The number of units of the Investment Instruments (or their volume in the nominal value), in accordance with the minimum quantity traded by the rules of the relevant Trading Venue, subscription or other offer (if such minimum quantity has been determined);
 - (v) Where the Order is submitted in writing it shall be dated and signed by the Authorised Person or otherwise Verified.
- (b) In addition to the basic details, Orders for the Provision of Transaction shall contain:
 - (i) The direction of the Transaction, i.e. sell or buy;

- (ii) The price limit in the currency of the Investment Instrument per unit of the Investment Instrument. The price limit can be expressed as a certain amount in the relevant currency or using the expression “at best”; in such a case, the Bank shall arrange for the purchase of the Investment Instrument for the lowest price and the sale of the Investment Instrument for the highest price for which the Investment Instruments could, applying due professional care and in line with the order execution rules, be bought or sold at the time when the sale or purchase took place. Where the Client does not specify a price limit, “the at best” is deemed to be required by default;
 - (iii) The validity period of the Order, which shall not exceed 30 calendar days. If the Client does not specify the validity period of the Order, it shall be considered that the Order is valid only on the date of the Order.
- (c) In addition to the basic details of Orders, Orders for Settlement shall contain:
- (i) The direction, i.e. transfer to the Asset Account or transfer from the Asset Account;
 - (ii) The Client’s Account;
 - (iii) The Settlement method, i.e. with or without simultaneous money transfer;
 - (iv) The currency;
 - (v) The price per unit of the Investment Instrument (for bonds, in % of the nominal value);
 - (vi) The total price (for bonds, including interest accrued);
 - (vii) The date of Transaction conclusion or another date relevant for the transfer;
 - (viii) The required Settlement date;
 - (ix) The designation of the counterparty (the name and surname and the Birth ID Number, or the date of birth if the counterparty does not have a Birth ID Number, or, if the counterparty is a legal entity, its name and Identification Number [IČ]);
 - (x) The designation of the counterparty’s Authorized Administrator (its name and Identification No. [IČ]) and its contact and settlement details.
- (d) The Bank also has the right to execute an Order when it does not contain all the required details if the manner in which the Order is to be executed is sufficiently apparent from the Order and any additional communication with the Client.
- (e) An Order to provide for a Transaction also includes the Order for the Settlement of such Transaction unless the Client specifies otherwise in the Order.
- (f) The Bank will notify the Client, at the Client’s request, of the details of other Orders, which are not set out in this Section 7.3.

7.4 Limit Orders

- (a) If a Limit Order is not executed immediately the Bank shall ensure the execution of such Limit Order promptly once the market conditions allow.
- (b) The Client requires the Bank to refrain from making the Client’s Limit Orders public in respect of Investment Instruments accepted for trading in European regulated markets, which were not immediately executed or transmitted to the regulated market due to the currently prevailing market conditions, unless the Client and the Bank agree otherwise.

7.5 Order Modification and Cancellation

- (a) Throughout the validity period of the Order the Client can:
 - (i) modify the limit price in the hitherto unfilled part of the Order, while in terms of the processing of the modified Order (the time priority) the modification is deemed to be a new Order,
 - (ii) cancel the hitherto unfilled part of the Order,
 all of the above provided that the Trading Venue allows modifications and cancellation.
- (b) The Bank processes Order modification and cancellation on the basis of the time priority of all Orders of the Bank’s Clients.

7.6 Order Rejection

- (a) The Bank is entitled to reject an Order:

- (i) in case the execution of the Order is contrary to the applicable regulations or causes a conflict of interests between the Bank and the Client or between the Clients of the Bank. Where a conflict of interests actually occurs between the Bank's Clients the Bank notifies these Clients;
 - (ii) in case the Bank has, with regard to the customary practice on the market, the price of the Investment Instrument, the size, and the impact of the Order on market liquidity, volatility or transparency, reasonable grounds to suspect that the execution of the Order may cause market manipulation. The Bank is entitled to request the Client to explain the purpose of the Order and if the Bank has, despite the Client's explanation, reasonable grounds to suspect that the execution of the Order may cause market manipulation, the Bank is not allowed to execute the Order. The applicable regulations impose this obligation on the Bank;
 - (iii) in the following cases: insolvency proceedings concerning the Client were commenced; the Client was declared insolvent or other proceedings with similar legal effects were commenced before a court, including proceedings brought under any foreign law (for example, proceedings on receivership/bankruptcy, composition, reorganisation or debt discharge); or the enforcement of a decision (execution) concerning the substantial part of the Client's assets was ordered;
 - (iv) intended to transfer an Investment Instrument that has been pledged, except for cases specified in legislation or for the purpose of enforcing such pledge;
 - (v) concerning Investment Instruments that are registered in the Bank's internal banking list as lost or stolen securities or that are marked in this list in another manner that prevents Settlement with them;
 - (vi) where the Client does not hold in the Account sufficient available funds to pay the Debts associated with such Order or where the Client does not hold in the Asset Account the Investment Instruments that are the object of disposal under the Order or such instruments also are not the object of the Settlement of the Client's buy Transaction;
 - (vii) in case the Bank is not able (at its reasonable discretion) to ensure the provision of Investment Services with due professional care or if such Investment Service is associated with disproportionately high costs that are not paid as part of Costs;
 - (viii) if the Bank has determined, in accordance with Section 8.1(a), that the Order does not correspond to the Client's knowledge and experience, and the Client, upon notice by the Bank, has not given an explicit request to execute the Order;
 - (ix) if the Bank has assessed, in accordance with Section 8.1(b), that the Client does not correspond to the target market of the relevant Investment Instrument; or
 - (x) for other serious reasons it will not be possible to provide the required service and the contracting parties have not agreed otherwise.
- (b) The Bank notifies the Client of Order rejection over the telephone or via e-mail without undue delay from the receipt of the Order by the Bank. The Bank reserves the right not to disclose to the Client the reason for Order rejection, unless the Bank is required to disclose the reason under the applicable regulations.

7.7 Non-acceptance of Orders

- (a) The Bank is entitled not to accept an Order in the following cases:
- (i) The Order does not contain all the required details or is otherwise incomplete, incorrect, unspecific or incomprehensible or the Bank has good reasons to doubt its authenticity;
 - (ii) The Client does not hold in the Account sufficient available funds to pay the Debts associated with such Order or where the Client does not hold in the Asset Account the Investment Instruments that are the object of disposal under the Order or such instruments also are not the object of the Settlement of the Client's buy Transaction;
 - (iii) The Order has been submitted for a different reason contravening the Agreement or these Conditions;
 - (iv) The Bank registers any overdue (financial or non-financial) debt payable by the Client, regardless of the legal reason for which the debt has arisen;
 - (v) A failure of communication channels between the Bank and the persons involved in the execution of the Order.
- (b) The Bank notifies the Client of the non-acceptance of the Order over the telephone or via e-mail without undue delay from the receipt of the Order by the Bank.

7.8 Information on the Status of the Order

- (a) The Bank shall inform the Client about the execution of the Order not later than the Business Day following the execution of the Order or, if the Bank receives the confirmation of the execution of the Order from a third party, not later than the first Business Day following the receipt of the confirmation from such third party, through Confirmation. The Bank sends Confirmations using the Client Contact Details.
- (b) Unless the Client informs the Bank of objections in regard to the content of a Confirmation within 24 hours of receipt, the Confirmation is deemed approved, accurate and correct (unless proven otherwise), with the exception of manifest errors.
- (c) In the event of difficulties in Order processing the Bank notifies the Client without undue delay from learning of the difficulties, in the manner under clause (a) above.
- (d) At the Client's request the Bank shall inform the Client, without undue delay, about the status of an Order that has not yet been executed.

8. Order Execution Rules

8.1 Appropriateness of Orders, target markets

- (a) The Bank evaluates every buy Order of Retail Clients and Professional Clients who have provided the Bank with information in the scope of the Investment Questionnaire to determine whether such Order matches the Client's knowledge and experience. Where the Bank concludes that the Client's Order does not match their knowledge and experience the Bank notifies the Client. In such a case, the Bank only executes the Order at the express request of the Client.
- (b) The Bank may act as the manufacturer and/or distributor of the Investment Instrument. In such case, it evaluates each buy Order of the Retail Client and the Professional Client who provided the Bank with information within the scope of the Investment Questionnaire, whether the Client corresponds to the target market of the relevant Investment Instrument or not.
- (c) The Bank does not evaluate Orders of Eligible Counterparties and Professional Clients who have not provided the Bank with information in the scope of the Investment Questionnaire under clause (a) above.

8.2 Execution of Orders

- (a) Where required by the type of the Order, such Order is transmitted to the Trading Venue only after Verification and, in the case of a sell Order, after verifying the Client's rights of disposal to the relevant Investment Instruments. The validity period of the Order also includes this period of time.
- (b) The Client acknowledges that the quantity of the Investment Instruments being bought or sold, required by the Client, is a 'limit quantity' and the quantity actually bought or sold depends on the conditions prevailing at the Trading Venue.
- (c) The Bank may diverge from the Order only when this is to the advantage of the Client and such divergence is not expressly excluded in such an Order and is not prevented by the applicable regulations. The Client acknowledges and agrees that the Bank can diverge from the Order if required by the relevant rules of the Authorised Administrator (e.g., when the specified departure is applied for the automatic matching of orders for settlement under the CSD rules). The Bank will inform the Client about the divergence arising from Authorised Administrators' rules, which could potentially result in some extra obligations for the Client, in the Confirmation.
- (d) In case of Orders for Settlement the Bank shall execute such Orders for the price specified in the Order regardless of the amount of the price or the possibility to arrange more favourable conditions for the Client, unless Authorised Administrators' rules stipulate otherwise.
- (e) The Bank may carry out the Provision of Transaction by itself assuming the role of the respective counterparty to the Transaction, for example, by selling an Investment Instrument to the Client from its own assets or buying an Investment Instrument from the Client to add to its own assets.

8.3 Best Execution of Orders

- (a) When the Bank receives a specific instruction from the Client regarding the execution of an Order (typically the Client specifies, e.g., the Trading Venue), the Bank executes the Order in compliance with such instruction.
- (b) Without prejudice to clause (a) above, the Bank fills Orders at the Trading Venue or a part thereof under the best conditions, taking into consideration the following factors:

- (i) The price of the Investment Instrument which can be achieved at the relevant Trading Venue under the prevailing market conditions;
 - (ii) The total Costs charged to the Client;
 - (iii) The speed at which the Order can be executed;
 - (iv) The likelihood of Order execution;
 - (v) The size of the required Transaction;
 - (vi) The Settlement conditions and method, the Order type, and other factors important for filling the Order under the best possible conditions.
- (c) Unless these Conditions stipulate otherwise the Bank usually follows this procedure when executing Orders:
- (i) The crucial criterion for the best execution of Orders is the factor of the price in conjunction with the factor of minimising the total Costs associated with the particular Transaction;
 - (ii) Where the factor of price does not result in determining a single Trading Venue the Bank executes the Order at the Trading Venue at which the Investment Instrument is traded in the currency of the Order;
 - (iii) If the Investment Instrument is traded in the currency of the Order at multiple Trading Venues the Bank executes the Order at the primary market of the relevant Investment Instrument (if any exists) or at the Trading Venue with the highest liquidity (current or long-term at the Bank's discretion).
- (d) The rules under clause (c) above do not prevent the Bank from prioritising, based on available information on the currently prevailing market situation or the Client's category, other factors such as speed, the likelihood of execution and Settlement, the size and type, the liquidity of the respective Investment Instrument and other factors relevant to achieving the best possible outcome.
- (e) The Bank executes Orders within the shortest possible time and fairly in relation to other Clients' orders. The Bank executes comparable Orders in the sequence in which it has received such Orders, unless the type of the Order, the Client's interest or the current market situation justifies a different procedure.
- (f) The Bank also proceeds in line with these Order execution rules in cases where it is to fill the Order from its own books under clause 8.2(e).
- (g) At least once per year the Bank reviews these Order execution rules as to whether they make it possible to achieve the best outcomes from the Clients' perspective. Furthermore, a select sample of Orders is checked as to whether they were executed in line with these Order execution rules and other internal standards related to the provision of Investment Services with due professional care. The Bank's organisational unit that is separated from dealing in financial and capital markets carries out these checks.
- (h) The Bank shall disclose once a year:
- (i) 5 Trading Venues at which it executed Clients' Orders in the last calendar year and which are most important to it in terms of the volume of executed Transactions; and
 - (ii) summaries and conclusions of the analysis resulting from monitoring of the quality of the execution of Transactions with Investment Instruments at the Trading Venues where it executed Clients' Orders in the last calendar year.

The Bank shall publish such information on its Website.

- (i) Without prejudice to Section 8.3(a), in the case of Investment Instruments which are not traded on Trading Facilities (typically OTC derivatives and other OTC products), the Bank shall ensure the correctness of the price proposed to the Client according to:
 - (i) the collected market data used to estimate the price of such Investment Instrument; and
 - (ii) (as far as possible) comparison with similar or comparable products.

However, the Bank is not obliged to seek quotes from other market participants.

8.4 Order Aggregation

The Bank is entitled to aggregate Clients' Orders with transactions on the Bank's own account and/or Orders of multiple Clients only when such aggregation is not likely to be less advantageous for Clients than the separate execution of Orders. Where the aggregation of an Order may be less advantageous for the Client than the separate execution of such Order the Bank notifies the Client thereof. In the Settlement of

aggregated Orders the Bank adheres to the time priority of submitted Orders, prioritising the settling of Clients' Orders over transactions on the Bank's own account, unless the Bank is able to prove that the aggregated Order was executed under more advantageous conditions than those under which it would likely have been executed in case of individual Orders or would not have been executed at all; in such a case, the Bank can allocate the deliverables and liabilities on a *pro rata* basis.

8.5 Trading Venue

- (a) To execute an Order, the Bank selects the Trading Venue that makes the best execution of the Order possible in line with Section 8.3.
- (b) The Order can be executed at the Trading Venue either directly by the Bank or by a third party, the dealer to which the Bank transmits the Order for the purpose of execution. In Order transmission the Bank shall verify that the dealer has implemented and is applying measures enabling the Bank to proceed in line with the Order execution rules set out in these Conditions. Otherwise, the Bank determines the Trading Venue and issues the dealer with instructions on how to proceed properly. However, the Bank is not obliged to assess the order execution rules of another dealer with Investment Instruments. The dealers to which the Bank is entitled to transmit Orders are listed in the *List of Trading Venues, Brokers and Authorised Administrators*.
- (c) The Bank uses third parties for Order execution at Trading Venues:
 - (i) through transmitting the Order to third parties, which are members, participants or clients of such Trading Venue and with which the Bank concluded a contractual relationship; and/or
 - (ii) in the Direct Electronic Access (DEA) mode, whereby specific third parties only enable the Bank to submit the orders of the Bank's Clients directly to the trading facilities of Trading Venues via third-party technical infrastructure.
- (d) Subject to the Client's prior express consent and following the Order execution rules under these Conditions, the Bank is entitled to execute Orders for the Provision of Transactions outside a Trading Facility.
- (e) Costs at different Trading Venues differ. These differences reflect the different fees of Trading Venues, settlement systems and Authorised Administrators and the internal laboriousness of processing in the Bank.
- (f) For transactions with the individual types of Investment Instruments, the Bank usually uses the Trading Venues listed in the *List of Trading Venues, Brokers and Authorised Administrators*.

9. Administration

9.1 General Provisions

- (a) The Bank carries out Administration for the Client in the scope and under the conditions set out in these Conditions and the Agreement, and in line with the conditions of the various Authorised Administrators used by the Bank, beginning at the moment when the Investment Instrument is credited to the Asset Account.
- (b) The Bank is entitled to refuse to accept any Investment Instrument under its Administration, without giving any reasons.
- (c) The Bank shall inform the Client about the corporate events associated with the Investment Instrument (such as dividend payment, split / divestment of the Investment Instrument, redemption, changes in the corporate structure of business corporations) if it receives such information from the issuer of the Investment Instrument or the Authorised Administrator.

9.2 Acts Carried out in Administration without Orders

- (a) Unless the Agreement or the Client's Order stipulate otherwise the Bank carries out the following acts as part of Administration without any additional Order:
 - (i) It exercises the right to the yields and principal amounts of Investment Instruments in respect of the issuers, or the persons authorised by the issuers, or the Authorised Administrator and takes all the steps required to exercise such rights;
 - (ii) It collects, for the benefit of the Client's Account, the payments, yields, and other financial deliverables under Investment Instruments;
 - (iii) It accepts from the issuer the Investment Instruments that the Client has acquired as the result of exercising the rights attached to the Investment Instruments under Administration, and credits the same to the Asset Account;

- (iv) It exercises the 'exchange or pre-emptive rights' attached to Investment Instruments, including, without limitation, the right to the exchange of Investment Instruments, when the issuer is dissolved in the process of the transformation of the issuer, for Investment Instruments of the successor company, exercising, if applicable, the right to the top-up payment; it exchanges interim certificates and other Investment Instruments; and it exercises other rights related to the winding up, dissolution or liquidation of the issuer of the Investment Instruments;
- (v) It carries out other activities that the Bank considers to be necessary in connection with the receipt of payments, acceptance of yields, or maintenance of other rights attaching to Investment Instruments;
- (vi) It concludes the required agreements with third parties concerning legal acts that are needed for the due performance of the Bank's obligations under the Agreement;
- (vii) It issues solemn declarations, confirmations and other documents as may be required by third parties in connection with Administration and Settlement; and the Client agrees that in case of need, they will confirm or take the required steps to confirm the Bank's acts under this point, including before the Bank makes such acts;
- (viii) In respect to Authorised Administrators and the settlement system, it makes all the acts that are necessary or appropriate for the Bank to be able to provide the Client with Investment Services;
- (ix) Upon a change of the Authorised Administrator, it transfers the Investment Instruments to another Authorised Administrator, including without the Client's consent.

9.3 Acts Carried out in Administration upon Orders

- (a) Upon express Orders, the Bank also
 - (i) It exercises the voting rights attached to Investment Instruments (except for Investment Instruments issued in the Czech Republic) at general meetings or the owners' meetings through Authorised Administrators or other persons, however, not through the personal attendance by the Bank's employees. The Bank advises the Client of the holding of such corporate events if it receives such information from the issuer of the Investment Instrument or from the Authorised Administrator;
 - (ii) exercises the exchange or other right attaching to Investment Instruments, and also other rights and obligations of the holder of Investment Instruments related to a decrease in the registered capital of the issuer of the Investment Instruments or to the dissolution, transformation or liquidation of the issuer or a transaction of a similar nature;
 - (iii) exercises the rights, attaching to the Investment Instruments, to the priority subscription to Investment Instruments upon an increase in the registered capital of the issuer;
 - (iv) exercises options for the early repayment, or redemption, of Investment Instruments under Administration,
 - (v) settles the subscription to issued new Investment Instruments;
 - (vi) arranges for the registration of security interests in the relevant accounts maintained by CSD or other Authorised Administrators; and
 - (vii) arranges for the registration of SDR and the registration of the cancellation of SDR.
- (b) The Client and the Bank may agree that the Bank will carry out, on behalf of the Client, another act related to Administration. The agreement under the preceding sentence is deemed concluded through the Bank carrying out an act under an Order in which the Client specifies the act to be carried out by the Bank. The Costs of the act follow the Price List unless the Client and the Bank agree otherwise.

9.4 Administration and Custody of Securities

- (a) The Bank Administers certificated securities only when they are registered in an 'independent register' of CSD and/or are listed and/or are in the Bank's custody.
- (b) The Bank is not obliged to accept any certificated security for custody. Clients inform the Bank about their intention to deposit securities in the custody of the Bank through Orders, which they shall deliver to the Bank not later than 3 Business Days before the required day of the beginning of custody. The Bank accepts securities for custody at the place specified by the Bank and on the basis of a written delivery and acceptance report, which shall be completed using the Bank's form.
- (c) The Bank releases the securities against an Order within 3 Business Days of the day of receiving such Order and at the place specified by the Bank. Where any legal or factual circumstances prevent the Bank from release, the Bank shall notify the Client.

- (d) The Bank keeps securities separately from the securities of the other Clients of the Bank. The Bank is entitled to transfer the kept securities to a third party for delegated custody. The transfer of securities to delegated custody is without prejudice to the Bank's rights and obligations to the Clients.

9.5 Information on Taxes

The taxation of income from Investment Instruments depends on the nature of the beneficial owner of such income. In respect of taxation, the Bank follows the applicable legislation. Where the beneficial owner of the income is a tax resident of a country other than the country from which their income flows and such beneficial owner wants to benefit from the double taxation treaty in place between the two countries (if such treaty exists), the beneficial owner shall provide the Bank, upon the conclusion of the Agreement and then by the end of January of every calendar year or upon a request of the issuer or payment agent of the relevant yield, with a certificate of their tax domicile and the beneficial owner's statement and also, at the Bank's request, any additional documents required by the payer of the income. Where the Client fails to supply the required documents to the Bank the income will be liable to tax in compliance with the legislation of the country from which the income flows. In case the tax domicile or beneficial ownership changes during the course of a calendar year the Client shall prove this fact to the Bank without undue delay. The Bank is not responsible for the rate at which the relevant payer will pay the tax on the income and does not guarantee to the Client that the payer will follow the double taxation treaty despite receiving all the required documents. In respect of the application of the relevant withholding tax, the Bank provides the Client, at the Client's request, only with the necessary assistance; the Bank does not provide the Client with any tax advice.

10. Settlement and Payment of Debts

10.1 Settlement

- (a) The Bank arranges Settlement through the Authorised Administrator in line with the rules and customary practices of the relevant settlement system, and also in line with the customary or established commercial practices in the respective jurisdiction or market in which the Settlement takes place. The Bank notifies the Client, at the Client's request, of the various settlement systems of which the Bank is a member and of the main rules thereof.
- (b) The Client shall ensure that on the day of Order submission, their Asset Account holds the relevant Investment Instruments that are the object of the Settlement of the Client's sell Transaction or that such instruments are the object of the Settlement of the Client's buy Transaction on the day of Order submission.
- (c) The Bank has the right to arrange Settlement by first transferring the bought or sold Investment Instruments to the Bank and then to the Client (when the Client is buying) or to the Transaction counterparty (when the Client is selling the Securities).
- (d) In case the Settlement does not take place by the expected time the Bank notifies the Client of the delay of the Settlement through Confirmation. At the Client's request, the Bank informs the Client about the reasons for the delay of the Settlement. Following Settlement completion the Bank sends the final wording of the Confirmation to the Client. Settlement suspension by the Authorised Administrator is not regarded as a delay of the Settlement.

10.2 Payment of Financial Debts

- (a) The Bank Settles Transactions to or from the Client's Account. The Client shall ensure that at the beginning of the relevant day of Settlement, however no later than within the period corresponding to the period of the relevant settlement location, the Client's Account intended for Settlement holds sufficient funds to pay the Client's Debts associated with such Transaction or another Investment Service of the Bank. As of the due date of any Debt and at any time thereafter, the Bank has the right to debit funds equalling such Debt from the relevant Client's Account, including without the Client's instruction or without a prior notification of the Client, and taking priority over the Client's other payments.
- (b) Where on the relevant due date of any Debt the relevant Client's Account does not hold sufficient funds to pay the Debt the Bank has the right to debit the relevant amount from the Client's other accounts in the Bank, and, if applicable, also use funds in the Client's deposits in the Bank, all of this even before the agreed due date of such deposits. In such cases the Bank has the right to charge the Client a fee for early withdrawal and other fees in accordance with the agreement on the establishment and maintenance of the relevant deposit.
- (c) Where any Debt is being settled from an account or funds maintained in a currency other than the currency of the Debt the Bank converts the funds to the currency of the Debt. The conversion is carried out by the rules for currency conversion in the GBC.

- (d) Where the procedure under clause 10.2(a) or 10.2(b) does not result in the payment of all of the Client's Debts the Bank is entitled:
 - (i) to prevent the Client from disposing of Investment Instruments, selected by the Bank, to the extent of the Client's outstanding Debts; and/or
 - (ii) in case that the Client fails to pay their Debts within 3 Business Days from the day of receiving the Bank's request to pay the Debts, to sell the Client's Investment Instruments registered in the Client's Asset Account without any Order from the Client, in the extent required to pay the Debts. The Bank will preferentially sell the Investment Instruments in relation to which the Debt has been incurred (for example, where the Debt has been incurred in connection with the purchase of the particular Investment Instruments).
- (e) The Bank is entitled to make Order execution conditional on the Client depositing, in the Client's Account or in another account specified by the Bank, an advance in the amount required by the Bank for the payment of the Debts incurred due to this Order. The Bank is entitled to block the funds equalling the advance in the account, in case of an Order for Settlement from the moment of receipt of such Order. If the Client fails to pay the advance required by the Bank the Order will not come into effect and the Bank will not execute the Order.

10.3 Settlement Fail

- (a) The Client acknowledges that if the Settlement does not occur within the required period, or in case of only a partial Settlement or other failure of the Settlement (the "**Settlement Fail**"), the Bank may, depending on the relevant Trading Venue, be obliged to proceed in one or more of the following ways:
 - (i) execution of a partial Settlement only; and/or
 - (ii) holding of the Order for Settlement; and/or
 - (iii) initiating of a buy-in process.

The Client is obliged to provide the Bank with all co-operation for the purposes of rectifying the Settlement Fail.

- (b) If a Settlement Fail occurs as a consequence of a breach of Client's obligations under the previous provisions of this Section 10, the Client shall compensate the Bank for all damages (including the regulatory sanctions, sanctions and penalties by Authorized Administrators, buy-in costs etc.) that the Bank has sustained in connection with the Settlement Fail. In connection with the payment of such Debts, the Bank shall be entitled to proceed similarly as pursuant to Section 10.2 above.
- (c) If a Settlement Fail occurs as a consequence of a breach of the obligations of a counterparty to such Transaction, the Bank will transfer to the Client all compensations (including the regulatory sanctions and sanctions and penalties by the Authorized Administrators) that it receives. The Bank informs the Client about such compensations and transfers them to Client's Account or to another account notified by the Client.

11. Register of Investment Instruments and the Guarantee Fund

11.1 Asset Account

The Bank will establish and maintain for the Client, an Asset Account in which Investment Instruments will be registered throughout the term of the Agreement. Only the Investment Instruments that the Bank has obtained for the Client or that the Client has transferred to the Bank under the Agreement will be registered in the Asset Account.

11.2 Register of Investment Instruments

- (a) The Investment Instruments entrusted by the Client to Administration will be registered in the relevant account in the registers of the relevant Authorised Administrator on an Asset Account. The Asset Account is the Bank's register that follow up on or mirror the Registers of the relevant Authorised Administrators. The Bank uses the services of global and local Authorised Administrators. Global Authorised Administrators keep registers of Investment Instruments regardless of whether or not a particular country's law regulates the Investment Instruments in question. Local Authorised Administrators keep registers only of the Investment Instruments that are subject to the legal system of the country in which the respective Authorised Administrator is established. The Bank uses the services of the Authorised Administrators listed in the *List of Trading Venues, Brokers and Authorised Administrators*.
- (b) The Bank is entitled to register Investment Instruments in the Czech Republic and abroad on its own behalf in nominee accounts at Authorised Administrators. In these nominee accounts, the Client's Investment Instruments are registered separately from the Bank's Investment Instruments, but they

are not segregated from the Investment Instruments of the Bank's other Clients, with which they are registered on an aggregate basis. Nevertheless, the Client's Investment Instruments are always registered separately in the Bank's off-balance sheet register in line with the applicable legislation. The risks of nominee accounts are described in the document *Information on Risks and Investment Instruments* available on the Website, which the Bank provides to Clients as part of Pre-contractual Information.

- (c) Where a Client's Investment Instruments are registered in a nominee account collectively with the Investment Instruments of the Bank's other Clients, the Bank adopts measures to prevent the risks associated with one Client's trading or the Bank's trading from spilling over to the Bank's other clients.
- (d) Where the Client has a securities account with CSD (and this account is kept in CSD's 'unintegrated registration') and/or with another Authorised Administrator, and if it is relevant for the provision of the Investment Service, the Client shall provide the Bank with the identification of such securities account promptly upon concluding the relevant Agreement, however, not later than before submitting the first Order.
- (e) Where the Client does not have an account with CSD and/or another Authorised Administrator, and if it is necessary for carrying out the Investment Service, the Bank establishes such an account for the Client and takes all the necessary steps to this end. The Client agrees that in respect of the Securities registered in their account with the Authorised Administrator, over which the Bank will carry out Administration, registration as an administrator will be effected in favour of the Bank under the applicable regulations.
- (f) Some of the rights, obligations and relationships attaching to Investment Instruments and the handling thereof may be governed by a foreign country's law, i.e. law of the country in which the Registers are maintained. The Bank will provide the Client with information and certificates concerning the placement of the various Investment Instruments with the respective Authorised Administrators.

11.3 Statements of Asset Accounts

- (a) Once every period set out in the Agreement, the Bank sends Clients statements of the Asset Accounts using the Client Contact Details. The Bank sends such Statements free of charge. Where the Client requires statements of the Asset Account more frequently than once the set period, or a historical statement of the Asset Account, the Bank is entitled to charge a fee for each of such extra Statements.
- (b) The Bank obtains and sends a change or status statement from the relevant registers of an Authorised Administrator other than the Bank, such as CSD, only at the Client's request.

11.4 Valuation

- (a) For the purpose of calculating Costs or issuing statements of Asset Accounts or other documents the Bank values the Investment Instruments in the Asset Account as follows:
 - (i) Using the latest rate available in the Reuters or Bloomberg system or the valuation carried out by the Bank, and possibly the valuation obtained by the Bank from another external source; or,
 - (ii) where the valuation under point (i) above is not feasible, the nominal value will be used.
- (b) For conversion into CZK, the CNB's "median" ["*střední*"] rate published for the respective day is used.
- (c) Although the Bank denotes the prices obtained under clause 11.4(a) as "market prices" or a similar expression, the Bank does not guarantee that Clients will have the opportunity to buy or sell the relevant Investment Instrument for exactly that price. The situation where no price is available on the relevant market in a certain time interval cannot be ruled out. In that interval, Clients may not even have an opportunity to carry out the required purchase or sale. The potential loss caused by this risk may amount up to several percent of the difference between the expected price based on the latest known prices of the relevant Investment Instruments and the price that the Bank or another entity on the market is possibly willing to bid for such Investment Instruments at the moment when the Client requires it.
- (d) Valuation serves only for the purposes of calculating Costs, preparing statements of Asset Accounts and for other stated purposes and should not be regarded as information for the Client's accounting or relied on for any other purpose. Although the Bank applies professional care to the valuation of the Investment Instruments the price of which cannot be obtained from external sources the Bank disclaims liability for (i) the accuracy of the employed models and estimates used for deriving the price, (ii) for the accuracy and completeness of the data used as inputs to the relevant models, and (iii) for any mistakes and omissions in the calculation.

11.5 Investor Compensation Fund

- (a) In compliance with the Capital Market Act the Investor Compensation Fund operates a compensation system from which compensations are paid to the Bank's Clients should the Bank be unable to honour its obligations to Clients.
- (b) Persons specified in Section 130(4) of the Capital Market Act are not entitled to compensation from the Investor Compensation Fund.
- (c) The Investor Compensation Fund pays Clients a compensation amounting to 90% of the amount determined from the fair value of the Investment Instruments that could not be released to the Client, but no more than an amount in Czech crowns equalling EUR 20,000 per Client per securities trader.
- (d) Under the Banking Act, the Deposit Insurance Fund provides compensations for receivable deposits to eligible persons. Detailed information about deposit insurance is available at the Places of Business and the Website of the Bank.

12. Costs

12.1 Amount, Due Date, Currency

- (a) The Client shall pay the Bank the Costs for the provided Investment Services, in the amount set out in the Agreement, the Price List and, in case of the Investment Instruments that the Bank is marketing to the Client, in the information documents for such Investment Instruments.
- (b) Unless the Agreement specifies otherwise, Costs are payable at the moment when the relevant Investment Service is provided and are paid in Czech crowns. Amounts denominated in a currency other than Czech crowns are converted by the rules for currency conversion in the GBC. The Costs will be debited from the Client's Account in the manner under Section 10.2.

12.2 Cost Breakdown

- (a) The Client is entitled to request the Bank to provide an itemised breakdown of the Costs related to the relevant Investment Service and Investment Instrument. The Bank provides Cost breakdowns free of charge. Where the Client requests a Cost breakdown before the Investment Service is provided the Bank usually provides the breakdown in a matter of hours from receiving the request from the Client; in other cases, the Bank provides the breakdown without undue delay, but not later than within 5 Business Days from the day of receiving the request from the Client.
- (b) Clients request breakdowns in the manner for Order submitting under Section 17.
- (c) The Client and the Bank may agree that the Bank will provide the Client with an itemised Cost estimate before providing the Investment Service and that the Bank will update this estimate following the provision of the Investment Service. The fact that the updated Cost breakdown differs from the estimate is without prejudice to the validity of the acts carried out by the Bank and the Client as part of the provision of the relevant Investment Service.
- (d) The Bank provides Cost breakdowns and itemised Cost estimates to all Clients except for Professional Clients and Eligible Counterparties that have waived, to the extent permitted by applicable laws, the right to information on Costs under this Section.

12.3 Information on Costs Following the Provision of the Investment Service

The Bank will inform the Client about the amount of the Costs related to the provided Investment Service and Investment Instrument through the Confirmation. In respect of the Investment Services provided under the Derivative Contracts, the Bank shall inform the Client about the amount of Costs through the document *Costs and Fees Relating to Derivative Investment Instruments*.

12.4 Cost Overview

- (a) Cost overviews constitute information on the Costs paid by the Client over the relevant annual period (or a shorter period where the contractual relationship between the Client and the Bank was terminated), including their cumulative effect on the return on the Client's investment.
- (b) The Bank provides Cost overviews to all Clients except for Professional Clients and Eligible Counterparties that have waived, to the extent permitted by applicable laws, the right to Cost overviews under this Section. The Bank provides Cost overviews free of charge.
- (c) The Bank sends the Cost overview to the Client at least once per year, at all times by the end of January following the end of the respective annual period, using the Client Contact Details.

13. Representations

The Client makes the representations and assurances stated in this Section to the Bank (i) as of the day of the conclusion of every Agreement, (ii) as of each day on which the Client submits an Order, a request, or another act to the Bank, and (iii) whenever the Bank so requests the Client. The Client acknowledges that the Bank is concluding the Agreement trusting these representations.

13.1 Status

- (a) The Client, a legal person, is a person duly organised, incorporated and existing under the laws effective in the State in which the Client has their registered office. The status of the incorporation of the Client, a legal person, in a public register or in other records in which it is registered reflects reality.
- (b) The Client has full competence to have rights and obligations and the competence to acquire rights and commit to obligations, doing so through their own legal acts or through the legal acts of their representatives, such as is required for concluding the Agreement and for performing the obligations arising from the Agreement in accordance with legislation.
- (c) The Client has obtained all the required external and internal approvals and permissions to conclude the Agreement and to exercise the rights and perform the obligations under the Agreement, including, without limitation, to submit any Order, and such approvals and permissions are valid and effective to the full extent and no additional permissions, approvals or consents are required.

13.2 Legally Binding

The obligations that the Client accepts under the Agreement are valid and enforceable in accordance with the conditions thereof.

13.3 Compliance with Regulations and Existing Obligations

The conclusion of the Agreement and the exercise of the rights and the performance of the obligations of the Client under the Agreement are not in breach of any laws and regulations, court decisions, arbitral awards or administrative decisions binding on the Client, any contract, instrument or document that is binding on the Client or that concerns the Client's assets, or any acts made by the Client, or the foundation documents, articles of association and internal regulations of the Client.

13.4 Insolvency, Administrative, Criminal and Other Proceedings

- (a) To the best of the Client's knowledge, no insolvency proceedings or other proceedings having similar legal effects have been instituted, including proceedings instituted under any foreign country's law (such as proceedings on insolvency, composition, reorganisation or debt discharge); nor has the enforcement of a decision (execution) concerning the substantial part of the Client's assets been ordered. Over the past three years, no receivership/bankruptcy of the Client has been instituted, no decision establishing the insolvency or imminent insolvency of the Client has been delivered, a motion for rejection of declared bankruptcy of the Client was not rejected, and insolvency proceedings against the Client were not cancelled, and composition was not confirmed and no other decision having similar legal effects was adopted.
- (b) To the best of the Client's knowledge, there are no pending court, administrative or arbitration proceedings concerning the Client, the Client's legal competence or the Client's assets and there is no pending prosecution of the Client that might affect the Client's capability to honour their obligations under the Agreement or affect the Client's financial or commercial situation and to the best of the Client's knowledge, such prosecution or proceedings are not imminent.

13.5 Disposition and Beneficial Ownership

- (a) The Client is the absolute and beneficial owner of the Investment Instruments that are registered on their Asset Account and is entitled to dispose of them without any limitations and exercise all rights attaching to them (with the exception of cases where the Client has expressly informed the Bank otherwise), and there are no pending proceedings concerning such Investment Instruments which might restrict disposition by the Client. The Bank is entitled to request proof of the Client's authority to dispose of the Investment Instruments.
- (b) The Investment Instruments registered in the Asset Account are not encumbered by any security interest or other third-party rights that are not contained in the registers of the Bank.
- (c) The Client owns the Investment Instruments that are the object of their sell Order, or such instruments are the object of the Settlement of the Client's buy Transaction.

13.6 Information

- (a) The Client understands that yields from Investment Instruments or from Transactions with Investment Instruments are not guaranteed and that historical returns are no guarantee of future returns and that the value of the Investment Instruments may both increase and decrease over time.
- (b) The Client has evaluated all the risks associated with the Investment Instrument that is the object of the Order, Transaction or Derivative Transaction and/or the Investment Service that concerns such Order, Transaction or Derivative Transaction and is acquainted with the conditions of such relevant Investment Instruments, as set out in, primarily, the prospectus, issue terms, data sheets, Key Information Documents, or conditions of Derivative Transactions (as applicable), and accepts such risks and conditions.
- (c) The Client acknowledges that the legal relationships between the Bank and Authorised Administrators may be governed by foreign countries' law, and possibly the various Authorised Administrators' rules and regulations on, in particular, the method of dealing, the settlement of transactions, and the administration of Investment Instruments.
- (d) All information that the Client has provided and will provide to the Bank in connection with the conclusion of the Agreement and other Investment Documents and with the provision of Investment Services and the exercise of the rights and performance of obligations is complete and true and is not misleading.
- (e) The Client understands that the Bank does not perform for the Client the obligation of reporting the share in voting rights under Section 122 et seq. of the Capital Market Act in respect of the Investment Instruments that are the object of the Bank's Investment Services.

13.7 No Advice

The Client acknowledges that under the Agreement, the Bank does not act as an investment intermediary, or as a financial, legal, tax or accounting adviser. The Bank provides the Investment Advice service solely on the basis of an express covenant in the Agreement and under the conditions specified therein.

13.8 Taxes

- (a) The Client acknowledges that the Bank is not responsible for withholdings for the purpose of securing any taxes, or for the due performance of the Client's tax obligations, with the exception of cases where the Bank is so obliged under the applicable regulations.
- (b) The Client is a tax resident in the State by the place of their permanent residence or their registered office, as applicable, which is specified in the heading of the Agreement and in cases of Clients who are not tax residents in the Czech Republic the Investment Instruments registered in the Asset Account are not owned by a permanent establishment situated in the Czech Republic.
- (c) The Client is the beneficial owner of interest, or income having the nature of interest, accruing under the Agreement or Investment Instruments and does not act as a representative or intermediary of a third party.

13.9 False Representations

The Client shall notify the Bank of the occurrence of any event that renders any representation of the Client in the Investment Documents false, incorrect, or misleading, and shall do so without undue delay from learning of such event. In respect of representations under Section 13.5 and/or clauses 13.8(b) and (c) above, the Client shall also provide the Bank with all the required details identifying the beneficial owner of the Investment Instruments and of income having the nature of interest, including, but not limited to, representations on each of the beneficial owners of the Investment Instruments or of income having the nature of interest, and arrange for the delivery of certificates of tax residency of all such beneficial owners (tax domicile) and, if applicable, details on the permanent establishment.

14. Conflicts of Interests and Inducements

14.1 Definition of the Conflict of Interests

- (a) When providing Investment Services the Bank identifies potential conflicts of interests and adopts measures to prevent conflicts of interest, i.e. to manage them effectively with a view to preventing an adverse effect of conflicts of interests on Clients' justifiable interests. The Bank identifies and manages conflicts of interest to the extent of the applicable regulations.
- (b) Conflicts of interest include, in particular, a conflict of interests or a potential conflict of interests that emerges or may emerge between:
 - (i) the Bank, its employees and the Clients;

- (ii) the persons that control the Bank or are controlled by the Bank or the person controlled by the same person as the Bank, their managers and tied agents and the Clients; or
- (iii) the Clients themselves.

14.2 Identification of Potential Conflicts of Interests

The Bank takes the required steps to identify potential conflicts of interests. As part of identifying potential conflicts of interests, the Bank looks at whether any of the persons specified in clause 14.1(b):

- (i) can gain a financial benefit or avoid a financial loss at the expense of a Client;
- (ii) has an interest in the outcome from the service provided to a Client or the outcome from a Transaction executed on behalf of a Client, which is different from the interest of such Client;
- (iii) has a financial or other incentive to prioritise a Client's interest over the interest of another Client or group of Clients;
- (iv) carries on business in the same sector as the Client (for example, where the Client is a competitor of the Bank or PPF Group);
- (v) receives, in connection with providing an Investment Service to a Client, from another person, or provides to a person other than the Client, an Inducement that differs from the standard consideration for the provided services and that could therefore influence the procedure in the provision of this service.

14.3 Management of Conflicts of Interests (Procedures and Measures to Limit Conflicts of Interests)

- (a) The Bank's employees carry out solely the activities to which they are assigned by the Bank. They shall respect the scope of the Investment Services provided by the Bank on the basis of its licence as an investment firm awarded by the CNB.
- (b) As part of the effective management of conflicts of interests, the Bank:
 - (i) has put in place an organisational structure that ensures personnel separation of the various organisational units in a way that effectively prevents undesirable flows of information and the potential abuse thereof;
 - (ii) provides for the substantive, functional and organisational independence of the various organisational units, which have adequate material and organisational conditions for the objective performance of their activities. The Bank has implemented Chinese Walls (i.e. physical and electronic barriers) and strictly regulated Wall crossing procedures to prevent exchanges of information between the Bank's employees engaged in activities entailing a risk of conflicts of interest;
 - (iii) has implemented measures to prevent or adequately control the simultaneous or sequential involvement of the Bank's employees in the provision of Investment Services or in the carrying out of activities where such involvement may impair the management of conflicts of interests (for example, employees responsible for dealing shall not simultaneously provide for Settlement of Transactions, or employees responsible for keeping registers of agreements concluded with Clients and amendments thereto, and powers of attorney, shall not simultaneously conclude Transactions);
 - (iv) has implemented measures to prevent the possibility of unjustifiable or unsubstantiated influence being exerted over the manner in which the Bank's employees carry out Investment Services and activities;
 - (v) has prevented the Bank's employees from involvement in the provision of Investment Services where such involvement may entail a risk to the proper management of conflicts of interests, and provides for inspections of such activities so that no risks to the proper management of conflicts of interests occur;
 - (vi) has put in place a system for the remuneration of the Bank's employees preventing the emergence of direct relationships between the amount of remuneration for an employee and the provision of specific services to a Client. All employees of the Bank are subject to restrictions as regards receipt of gifts or benefits related to the provision of Investment Services;
 - (vii) has implemented measures to prevent any direct relationship between the remuneration for an employee of the Bank who carries out a particular activity and the remuneration or income of another employee who carries out a different activity if a conflict of interests can emerge from the relationship between these activities;
 - (viii) has implemented rules for personal transactions of the Bank's employees, persons close [kith and kin] to the employees and persons closely interconnected with the employees;

- (ix) keeps a list of the Investment Instruments in respect of which conflicts of interests can occur;
 - (x) keeps a list of insiders, i.e. persons who have access to inside information;
 - (xi) follows a strict prohibition of prioritising dealing on own account under the same or better conditions than the Client has;
 - (xii) has implemented the “four eyes” policy whereby the carrying out of predefined services and the handling of the Client’s assets can only take place in cooperation of two persons;
 - (xiii) has put in place a system of security measures for data processing and recording and a system of access rights in connection with preventing conflicts of interests.
- (c) All organisational units of the Bank shall participate in identifying and managing conflicts of interests and where a conflict of interests is imminent or has occurred, they shall notify the Bank’s compliance department, which deals with the issue of conflicts of interests on an ongoing basis and exercises autonomous and independent supervision over the persons involved in the provision of Investment Services.
 - (d) As part of managing conflicts of interests and its internal control system, the Bank identifies the circumstances that may, in relation to specific Investment Services and activities provided by the Bank, result in a conflict of interests posing a risk of damage to the Client’s interests.
 - (e) The Bank does not provide the ancillary Investment Service of ‘Investment Research and Financial Analysis or Other Forms of General Recommendations Concerning Trading in Investment Instruments’.
 - (f) On its Website, the Bank advises the Clients of the potential conflicts of interests that it has identified, through the document *Catalogue of Conflicts of Interests*.

14.4 Procedure When a Conflict of Interests Is Identified

- (a) Should it not be possible for the Bank to prevent a conflict of interests in a particular case, the Bank notifies the Client thereof. In the notification, the Bank primarily describes the nature or source of the potential conflict of interests, and the risks arising for the Client due to the conflict of interests, and also the measures adopted in order to mitigate such risks so that the Client is able to make, before the provision of the Investment Service, an informed decision on such Investment Service in which conflicts of interests arise.
- (b) Where a conflict of interests between the Bank and the Client cannot be avoided the Bank always prioritises the Client’s interests over its own interests and over the interests of the persons that form a business group together with the Bank. In the event of a conflict of interests between Clients the Bank ensures that they are provided with fair treatment. Where a fair solution cannot be ensured the Bank denies the Client the provision of the service.

14.5 Inducements and Their Admissibility

- (a) Inducements constitute a specific case of conflict of interests in the provision of Investment Services by the Bank. The Bank takes the same approach to Inducement management as to other conflicts of interest. This means that the Bank identifies Inducements, performs effective management of Inducements, and adopts measures against the emergence, i.e. the receipt, offering or provision, of inadmissible Inducements.
- (b) The Bank may provide or receive an Inducement only if:
 - (i) the receipt or provision of the Inducement is not contrary to the Bank’s obligation to act in a qualified, honest and fair manner and in the best interest of the Client;
 - (ii) there is no risk of a conflict of interests emerging as a consequence of the receipt or provision of the Inducement (in the scope specified in this Section 14); and
 - (iii) the receipt or provision of the Inducement results in an enhanced quality of the service provided to the Client.
- (c) Inducements are not regarded as admissible if the provision of Investment Services to Clients is biased or impaired in consequence of such Inducements.
- (d) The Bank provides the Client with information about Inducements relating to the relevant Investment Instrument before it provides the Investment Service that concerns such Investment Instrument. Such information includes, without limitation, details about the existence, nature and amount or value of the Inducement. Specific information about Inducements related to the relevant Investment Service is provided to Clients in the information materials on the particular Investment Instrument or is disclosed in another suitable manner. Clients can receive (general) information about the Bank’s Inducements on the Website in the document *Information on Inducements*.

- (e) Information about the amount or value of a specific Inducement can, in case that this amount or value cannot be determined in advance, be substituted by information about the method for calculating the amount or value of the specific Inducement (for example, by expressing it as a percentage, using a formula, or a description of the method for determining the amount of the Inducement). In such a case, the Bank shall subsequently inform the Client about the actual amount of the Inducement that it has received in relation to the Client, through a Statement or in another way. The Bank shall also individually inform the Client, at least once per year, about the actual amount of the Inducements that it has received in relation to the Client.

14.6 Registers and Regular Reviews of Procedures for Limiting the Opportunities for Conflicts of Interests

- (a) The Bank keeps registers of the provided Investment Services in connection with which conflicts of interests entailing risk of damage to Clients' interests has arisen or could arise. Such registers clearly indicate the conflicts of interests that could arise or did arise and how the situation will be addressed.
- (b) The Bank shall review, on a regular basis but at least once per year, its procedures for limiting the opportunities for conflicts of interests and shall adopt all suitable measures for remedying any deficiencies.

15. Liability

15.1 Liability of the Bank

The Bank shall be held liable for damage that it has caused the Client by breaching its obligations under the Agreement and under these Conditions to the extent and under the conditions laid down by the relevant law. To the extent allowed under the applicable regulations, the Bank shall not be held liable to the Client for any default on or breach of its obligations under the Agreement and under these Conditions, with the exception of cases of gross negligence and wilful misconduct.

15.2 Exclusion of the Bank's Liability

- (a) Section 15.1 notwithstanding, the Bank shall not be held liable for damage suffered as a consequence of:
 - (i) an incorrect Order of the Client;
 - (ii) the non-execution of an Order that does not contain all the required details or is otherwise incomplete, incorrect, unspecific or incomprehensible or such as the Bank has good reasons to doubt its authenticity;
 - (iii) the non-execution of an Order provided that the Bank has performed all of its obligations in respect of such Order;
 - (iv) abuse of the authorisation to act for the Client in relation to the Bank when such abuse was not obvious;
 - (v) any conduct, omission, default or insolvency of the Authorised Administrator, another investment firm, an issuer, a counterparty to the Transaction or another transaction, or of another person or third party in connection with an Investment Service, which was not caused by the Bank;
 - (vi) unforeseeable and insurmountable obstacles and events emerging beyond the Bank's control;
 - (vii) failures, errors, delays, interruption or unavailability of any communication channel between the Client and the Bank;
 - (viii) complying with orders or other administrative acts of Czech or foreign governmental authorities or decisions of Czech or foreign courts.
- (b) The Bank shall not be held liable for any legal defects in Investment Instruments or for the potential existence of third parties' rights encumbering Investment Instruments, or for the fact that not all rights are attached to bought or sold Investment Instruments, provided such facts could not be found even when applying due professional care. Furthermore, the Bank shall not be held liable for the authenticity and value of the Investment Instruments that are the object of Investment Services.
- (c) None of the provisions excludes liability for conduct or omissions for which liability cannot be limited under legislation.

15.3 Limited Liability of the Bank

To the extent allowed by the applicable regulations, any liability of the Bank for damage is limited by the higher of the following amounts: (i) a double of the total annual Costs paid by the Client to the Bank, or (ii) CZK 100,000.

16. Set-off, Limitation, Assignment and Transfer

16.1 Set-off

The Client is not entitled to set off any of their receivables against the Bank's receivables arising from the Agreement or to exercise lien. The Bank is entitled to set off its receivables arisen on the basis of the Agreement (including receivables arising in the case of the withdrawal from the Agreement) against the Client's receivables due from the Bank regardless of their due date, currency or the legal grounds for their occurrence.

16.2 Limitation

Unless the Agreement suggests otherwise, the length of a limitation period for all rights of the Bank under or in connection with the Agreement is 10 years from the day on which the right could be exercised for the first time.

16.3 Transfer of Rights and Obligations, Assignment of Receivables

The Client is not entitled to transfer their rights and obligations under the Agreement or to assign the Agreement or any receivable thereunder without the Bank's prior consent. The Bank has the right to assign the Agreement or any receivable thereunder or transfer its rights and obligations under the Agreement to a third party and the Client agrees to provide the Bank with any assistance as the Bank may require for this purpose, including the granting of the required consents, the conclusion of written trilateral agreements, etc.

17. Communication

17.1 Communication Methods

- (a) Orders can be given orally over telephone lines or in writing, unless the Agreement or these Conditions require a specific method for a particular Order. Orders can be given solely through the contacts specified in the Agreement or the contacts that the Bank notifies or publishes for this purpose.
- (b) Orders for the Provision of Transaction can be submitted by 5 p.m. Prague time on Business Days. The foregoing does not prevent the Bank from executing Orders that it received even after 5 p.m. Prague time on such Business Day. Orders concerning entries in the relevant Registers can be submitted by the time set out in the document *The Schedule for Acceptance and Processing of Orders during a Trading Day* posted on the Bank's Website. Other Orders for Settlement and Administration can be submitted by 4:00 p.m. Prague time on a Business Day immediately preceding the date of Settlement, however no later than within the period corresponding to the period of the relevant settlement location. Orders for Settlement and Administration received after the deadline specified in the previous sentence will be processed by the Bank with due care, however, the Bank cannot guarantee their timely processing.
- (c) Any written Order shall be signed by an Authorised Person. The written form shall also be maintained when the Client gives an Order via e-mail provided that the e-mail message is sent from the e-mail address of the Authorised Person specified in the Authorisation.
- (d) The Bank shall advise Clients of the process and method of communication in the event of a failure in the Bank's information system, telecommunications facilities and recording devices and shall do so via its Website.
- (e) The Client communicates any other requests, reports and information to the Bank in writing or orally, through the Client's relationship manager/private banker, and the Bank has the right to request the Client to deliver any oral communications to the Bank in writing as well.

17.2 Records of Communications

- (a) In relation to the Agreement and to the provision of Investment Services the Bank shall (including cases where no Agreement is concluded or where the relevant Investment Service is not provided):
 - (i) record telephone conversations and electronic communications with the Client ("**Recordings**");
 - (ii) take written minutes of face-to-face conversations between the Client and the Bank ("**Minutes**"); and
 - (iii) keep records of other communications (other than Recordings and Minutes) between the Client and the Bank, such as e mail communications.

This obligation is incumbent on the Bank under the Capital Market Act and the applicable regulations.

- (b) The Bank shall prepare the Minutes without undue delay following the face-to-face conversation and send them electronically to the Client using the Client Contact Details, unless the facts that are the subject matter of the Minutes have been confirmed otherwise, for example, by the acceptance of an

Order. The Client shall review the Minutes and, within 48 hours from the delivery of the Minutes, communicate any objections to their content to the Bank. Where the Client does not communicate any objections to the Bank within the time limit under the preceding sentence the Minutes shall be deemed approved by the Client.

- (c) The Client agrees that records of communications under this Section, including, without limitation, Recordings and Minutes, can be used as evidence in any proceedings concerning the Agreement or the provision of Investment Services. The Client shall inform its Authorised Persons about the Recordings and Minutes and obtain their consent to the making of Recordings and Minutes (where such consent is required).
- (d) The Client has the right to request the Bank to provide the Client with copies of Recordings, Minutes and records of other communications between the Client and the Bank, which concern the Provision of Transactions or transactions with the Client where the Bank acted on the Bank's own account (including communications where no Transaction or Derivative Transaction was concluded), relating to a period of not more than five years (or seven years if the CNB so decides) from the day on which the relevant record was created. Such request shall be in writing and it shall clearly specify the period for which copies of records are to be provided. The Bank charges a fee under the Price List for providing such copies.

17.3 Delivery of Communications

- (a) Any Communications can be delivered by hand, through a postal service operator, by courier, by email, by SWIFT, the Reuters system, the Bloomberg system or another communication system, or in another agreed manner enabling the transport and demonstrable delivery of Communications, unless the Agreement or these Conditions stipulate otherwise. Communications for the Bank can only be delivered using the contact details specified on the Bank's Website in the document *Contact Details and Authorised Persons of PPF banka a.s.* Communications for the Client shall be delivered by the Bank using the Client Contact Details or the address of the Client's permanent residence or registered office.
- (b) Communications delivered by the Bank are deemed delivered, in the case of delivery
 - (i) by courier or post via a registered letter, restricted delivery to the addressee only or return receipt requested: at the moment of the receipt thereof, however, not later than on the tenth (10th) Business Day from the day of sending in the Czech Republic or the fifteenth (15th) Business Day from the day of sending to another country;
 - (ii) by post or courier otherwise than as under clause (a) above: at the moment of receipt, however, not later than on the third (3rd) Business Day from the day of sending in the Czech Republic or the fifteenth (15th) Business Day from the day of sending to another country;
 - (iii) by e-mail: at the moment of the sending thereof to the recipient;
 - (iv) by SWIFT, the Reuters system, the Bloomberg system or another communication system: at the moment when the Communication is received.
- (c) Notwithstanding clause (b) above, where the Communication is returned as undelivered or where the Client refuses receipt thereof or otherwise frustrates the delivery thereof, the Communication shall be deemed delivered upon the return thereof to the Bank, including cases where the Client was unaware that the Communication was awaiting collection (if deposit for collection is relevant).
- (d) Communications delivered to the Bank shall be deemed delivered only at the moment of the acceptance thereof; in the case of e-mail messages, at the moment when the Bank confirms receipt of the e-mail message. Where the Agreement or these Conditions require that Communications be delivered to a particular department or for the attention of an employee of the Bank, such Communications shall be deemed delivered only if it is expressly specified on them that they are addressed to the particular department or for the attention of the employee of the Bank.
- (e) Where a Communication is delivered to the Bank after 5 p.m. Prague time on a Business Day it shall be deemed delivered at 9 a.m. Prague time on the following Business Day. The foregoing is without prejudice to clause 17.1(b).
- (f) Where the Bank delivers Investment Documents, Confirmations and statements of the Asset Account to the Client by e-mail, the Client shall store such documents so that they have unlimited access to them at any time (such as on a hard disk of their computer or in a cloud).

18. Final Provisions

18.1 Severability

Should any provision of any Investment Document become or turn out to be invalid, ineffective or unenforceable this shall be without prejudice to the validity, effect and enforceability of other provisions of such Investment Document and the Client and the Bank agree to replace, within one month from the delivery of the request from the other party, such invalid, ineffective or unenforceable provision with a new valid, effective and enforceable provision the wording of which expresses the intention expressed in the original provision and the Investment Document as a whole.

18.2 Amendment to Agreements on Account Maintenance

The provisions of the Agreement and of these Conditions on the bank accounts maintained by the Bank for the Client constitute an amendment to the agreement(s) on accounts concluded between the Client as the account holder and the Bank as the bank in respect of all of the Client's bank accounts with the Bank.

18.3 Governing Law

Unless the Bank and the Client agree otherwise in writing, all contractual and non-contractual relationships between them shall be governed by the laws of the Czech Republic.

18.4 Jurisdiction

Under Section 89a of Act No 99/1963, Rules of Civil Procedure, as amended, the Bank and the Client agree that (i) the Municipal Court in Prague, if regional courts have jurisdiction *in rem* for adjudicating the dispute, or (ii) the District Court for Praha 6, if a district court has jurisdiction *in rem* for adjudicating the dispute, will be competent to adjudicate any disputes arising from or in connection with the Agreement (including questions concerning its validity, effect and interpretation).

18.5 Excluding Some Provisions of the Civil Code

- (a) The Client and the Bank agree that the following provisions of the Civil Code shall not apply: Sections 1126–1137, Section 1139, Section 1400–1474, Section 1727 (the second and third sentences), Section 1748, Section 1799 and Section 1800 (only where the Client is a business entity), Section 1805, Section 1888(2), Section 1899, Section 1913, Section 1930(2), Section 1950, Section 1951, Section 1952(2), Section 1957, Section 1970 (for the avoidance of doubt, the parties agree that this exclusion is without prejudice to the provisions of the Agreement on late payment interest), Section 1971, Section 1978(2), Section 1980, Section 1987(2), Section 1995(2), Section 2006(1), second sentence, and Section 2007.
- (b) The Client shall bear the risk of changes in circumstances within the meaning of Section 1765(2) of the Civil Code.
- (c) The Client does not have the right to terminate the Agreement under Section 2000(1) of the Civil Code.
- (d) The Bank is not obliged to accept payments under the Agreement from persons other than the Client.

18.6 Waiver of Rights

No failure to exercise, nor any delay in exercising, on the part of the Bank, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. Any right and remedy under the Agreement may be exercised concurrently and does not exclude any right and remedy arising under legal regulations.

18.7 Signature with a Reservation

Where the Agreement is not being concluded in the presence of both contracting parties the Agreement is not concluded if the Client signs it with any change or variation, even immaterial, or with an amendment, unless the Bank subsequently approves such change or variation, or amendment. This also applies where the Client attaches their business conditions the content of which contravenes, in any manner whatsoever, the text of the Agreement, including the text of these Conditions or the GBC.

19. Amendment and Effective Date of the Conditions

19.1 Amendments to the Conditions and the Price List

- (a) The Bank has the right to amend the Conditions on an ongoing basis, including, without limitation, for reasons of performing the Bank's obligations laid down in the law and the obligation of the prudent performance of the Bank's activities, of the development and changes in the applicable regulations, and of enhancing the quality and developing new banking services and of the development of the Bank's business policy. The Bank shall notify Clients of the new complete wording of the Conditions

and their effective date in writing or in electronic form. Clients shall become acquainted with the new wording of the Conditions. The new wording of the Conditions is binding on Clients with effect as of the day set out in the amended wording of the Conditions, provided that:

- (i) the Bank proposed the amendment to the Conditions not later than two months before the day on which the amendment is to take effect. The foregoing does not apply when the changes are necessitated by changes in the applicable regulations or when changes do not impair the position of Clients; and
 - (ii) the Client did not reject the proposal for the amendment to the Conditions within ten (10) days before the effective date of the amendment, while the Client does not have the right to reject the proposal for the amendment to the Conditions where the amendment to the Conditions is due to changes in the applicable regulations.
- (b) Within a time limit of ten days before the effective date of the amendment the Client has the right to reject the amendment (except for changes precipitated by changes in the applicable regulations) and to terminate the Agreement with a period of notice of one month from the day of delivery of the notice of termination to the Bank, unless a shorter period of notice is required by the applicable regulations binding on the Bank. The Client shall pay their Debt by the date on which the Agreement is terminated.
 - (c) The Bank has the right to amend the Price List following the procedure under the relevant provisions of the GBC on amendments to the Price List.
 - (d) The Bank also has the right to amend unilaterally additional Investment Documents that the Client does not sign, including, without limitation, information documents. The Bank shall notify the Client of material changes to additional Investment Documents.

19.2 Effective Date of the Conditions

These Conditions come into force on 1 October 2020 and into effect on 1 December 2020 as of which date the existing Conditions effective from 1 January 2019 shall expire.