

# Terms and Conditions of Patria Finance, a.s. for the Long-Term Investment Product

The LTIP Terms and Conditions relate to the Long-Term Investment Product Agreement which you, our Customer, wish to enter into or have already entered into with Patria and that agreement has referred to the LTIP Terms and Conditions. The current version of the LTIP Terms and Conditions can be found on the Website in the Documents section or in the Business Application.

If you have any question about any part of the LTIP Terms and Conditions, Patria will be happy to assist you personally in resolving it. You can contact us via our e-mail box [patria@patria.cz](mailto:patria@patria.cz) or by phone using our Infoline.

These LTIP Terms and Conditions are effective from 22.3.2024.

## 1. GENERALLY, ON TERMS AND CONDITIONS AND DEFINITIONS OF TERMS

- 1.1 **LTIP Terms and Conditions.** The LTIP Terms and Conditions provide more detailed information about LTIP and supplement and clarify the information contained in the Agreement.
- 1.2 **Section headings.** The headings (if any) of Sections in these LTIP Terms and Conditions or in the Agreement, such as the Section headings. in these Terms and Conditions, are for easier reference only, they shall not influence the construction of the individual Sections.
- 1.3 **Defined terms.** The LTIP Terms and Conditions employ defined terms in order to avoid long descriptions overloading the text. They are capitalised and therefore easy to recognize by the Customer. Below please find definitions and abbreviations but the text itself of the Agreement or of the Terms and Conditions may contain other ones defined in brackets as follows: (hereinafter the "x"). The defined terms may subsequently be used in singular or plural without any differences in meaning. The Customer shall find any terms which are not defined in the LTIP Terms and Conditions, in the Agreement. If the defined terms appear in any other documents to which the Agreement or the LTIP Terms and Conditions refer, they have the meaning provided in the Agreement or in the LTIP Terms and Conditions unless the definition of the term in the other documents differs.
- 1.4 **Definitions.** The defined terms are explained here:

**LTIP** is Long-Term Investment Product.

**Brokerage Account** is an account used to record assets within the LTIP.

**Investment Instruments** are investment securities, derivatives and other instruments as defined in the Capital Market Undertakings Act (see definition below).

**Website** is Patria's website accessible via the Internet at [www.finance.patria.cz](http://www.finance.patria.cz).

**Business Application** means any online application or interface developed or operated by Patria which is accessible only to the Customer (or an Authorized Person, as applicable) and which allows primarily to (i) receive Orders and electronically transmit Orders for execution to another broker/dealer or directly to the relevant Execution Venue; (ii) obtain information about the status and execution of the Order; (iii) provide records regarding the Customer's Property; or (iv) access documents of personal nature.

**LTIP Terms and Conditions** are these terms and conditions for Long-Term Investment Product Agreement.

**Order** is an instruction to subscribe, buy, sell, transfer or make any other disposition with an Investment Instrument which is submitted to Patria in compliance with the Agreement.

**Master Agreement** is a master agreement for the provision of investment services concluded between the Parties.

**Agreement** is the Long-Term Investment Product Agreement.

**Party** is Patria or the Customer. If the plural is used, then both are meant.

**Capital Market Undertakings Act** (also referred to as **ZPKT**) means Act No. 256/2004 Coll., Capital Market Undertakings Act, as amended.

## 2. ASSETS REGISTERED UNDER THE LONG-TERM INVESTMENT PRODUCT

2.1 **Assets kept within the LTIP.** The following assets may be held within the LTIP:

- funds,
- Investment Instruments.

The assets will be kept on a separate sub-account of the Brokerage Account, which Patria will set up for the Customer upon concluding of the Agreement.

2.2 **Limitation of assets within the LTIP.** The Customer acknowledges that regulation may limit the scope of Investment Instruments that may be kept within the LTIP. Patria will not allow the Customer to purchase or transfer selected Investment Instruments that cannot be kept within the LTIP due to restrictions imposed by regulation. At the same time, Patria notifies the Customer that the offer/acquisition of Investment Instruments in the LTIP may be restricted by Patria (in particular certain ETFs/ETCs and investment certificates). Forwards may be kept within the LTIP for hedging purposes only.

2.3 **Subsequent limitation of the scope of assets within the LTIP.** If an event should occur that results in an Investment Instrument not being able to be held in the LTIP according to the regulation (for example a security kept within the LTIP is delisted from trading on a regulated market), the Customer shall ensure that particular Investment Instrument is not kept in the LTIP.

2.4 **LTIP service limitations.** Short-selling and margin trading is not possible within the LTIP.

2.5 **Limitation of assets that can be added to the LTIP.** Only funds may be deposited into the LTIP by transferring them from the Brokerage Account to a separate sub-account of the Brokerage Account established for the purposes of the LTIP or by sending funds to the sub-account of the Brokerage Account established for the purposes of the LTIP according to the instructions provided in the Business Application (the payment order for sending funds must contain the variable symbol that the Customer has listed in the Business Application in LTIP section). Customer's Investment Instruments cannot be deposited or transferred to the LTIP unless it is transfer of LTIP from another provider.

2.6 **Specifications in the Order when purchasing an Investment Instrument in the LTIP.** In order for an Investment Instrument to be kept within the LTIP, the Customer is required to specify when placing an Order that particular Investment Instrument is being purchased/negotiated on the LTIP. The Customer acknowledges that Patria shall not be obliged to comply with any requests by the Customer to change the sub-account of Brokerage Account on which particular Investment Instrument is purchased/negotiated after the receipt of the Order.

2.7 **Recurring investments.** For recurring investments for the purposes of the LTIP the Customer needs to conclude an agreement for recurring investments.

- 2.8 **Employer contributions.** The Customer's employer may contribute funds to the Customer's LTIP by sending them according to the instructions provided in the Business Application (the payment order for sending funds must contain the variable symbol that the is listed in the Customer's Business Application in LTIP section). Patria will credit the Employer's funds to the LTIP no later than the next business day after the Employer's funds are credited to the collective account.
- 2.9 **Other persons' contributions to LTIP.** If a person other than the Customer or the Customer's employer sends funds to the Customer's LTIP, Patria advises the Customer that it will not be able to distinguish that it is a contribution by another person for the purposes of the tax statement that will be provided to the Customer on an annual basis, which may result in the information on the tax statement not being accurate (contributions of other persons will be treated as contributions by the Customer for the purposes of the tax statement, even though it may not be accurate). Patria advises the Customer that the Customer is responsible for compliance with the Customer's tax obligations and the accuracy of the information provided to the tax authorities.
- 2.10 **Transfer of all assets within the LTIP to another LTIP of another provider.** Assets in the LTIP may be transferred to another LTIP of another provider at the Customer's request. As part of the transfer, the Customer must provide the account number to which the LTIP funds are to be transferred, provide instructions for transferring the Investment Instruments within the LTIP, and declare that the funds and Investment Instruments are being transferred to a LTIP. If all assets are not transferred to the LTIP, Patria notifies the Customer that such transfer may impact the tax benefits of the LTIP. The Customer must ensure that the Investment Instruments from the LTIP can be transferred to another provider. Customer acknowledges and agrees that Patria is not obligated to make the transfer in the event that any assets from the LTIP cannot be transferred to the LTIP of another provider. Assets can only be transferred to the LTIP in their entirety. Upon completion of the transfer of assets from LTIP to another LTIP of another provider, the Agreement shall terminate. Patria advises the Customer that the transfer may not also transfer the duration of the LTIP with Patria.
- 2.11 **Transfer of assets to the LTIP from another LTIP of another provider.** It is possible to transfer funds and Investment Instruments to a LTIP from another LTIP of another provider. Patria advises the Customer that it will accept Investment Instruments subject to prior review. For such Investment Instruments, Patria reserves the right to refuse to transfer of the LTIP. The duration of the LTIP with another provider will not be counted by Patria towards the duration of the Customer's LTIP.
- 2.12 **Notice before the order that would result in the return of tax support.** In the event that the Customer gives an order that would result in the return of tax support (e.g. transferring funds out of the LTIP without meeting the LTIP holding period or Customer age requirements set out in the relevant regulation or other requirements set out for tax support in the relevant regulation), Patria will notify the Customer of the implications of such order and the Customer will be required to confirm in writing that he/she is aware of these implications. Patria may not perform the Order until the Customer's confirmation is received. Transfer of assets kept within the LTIP outside of the LTIP will result in termination of the Agreement.
- 2.13 **LTIP tax support.** The conditions of LTIP tax support are determined by the relevant legislation, in particular Act No. 586/1992 Coll., on income taxes, as amended. Regarding the payment from the LTIP, the tax support of the LTIP is mainly preserved in the case that

the payment from the LTIP is made to the Customer and it will occur (a) after 120 calendar months from the creation of the LTIP, but no earlier than in the calendar year in which the Customer reaches 60 years; or (b) in the event of the Customer's 3rd degree disability, or is made to another person in the event of (a) the Customer's death, or (b) the transfer of the LTIP to another provider, or (c) the fulfilment of a legal obligation. The above-mentioned list of situations when the LTIP tax support is preserved is not complete, all such instances are listed in the relevant regulation.

- 2.14 **Lien on Investment Instruments under the LTIP.** In the event that Investment Instruments are registered within the LTIP, the Customer shall not create a lien on them or on the Brokerage Account as a whole. Patria shall be entitled to refuse the Customer's order or the order of another person to register a lien on the Investment Instruments within the LTIP or the Brokerage Account.
- 2.15 **Authorised Persons.** Persons authorised by the Customer to take certain actions under the Master Agreement may also take such actions in relation to LTIP.
- 2.16 **Taxes.** Patria notifies the Customer transactions within the LTIP may incur tax liabilities (e.g., income from the sale of Investment Instruments). The Customer acknowledges that the satisfaction/reimbursement of such liabilities cannot be made from assets under the LTIP for the duration of the LTIP.

### 3. DURATION, AMENDMENT AND TERMINATION OF THE AGREEMENT

- 3.1 **Validity and Effectiveness of the Agreement.** The Agreement concluded remotely using the Business Application shall become valid and effective on the date it is signed by both Parties.
- 3.2 **Amendment of the Agreement.** The Agreement may be amended only by agreement, unless otherwise specified. Such agreement may be represented by a request by the Customer and confirmation by Patria.
- 3.3 **Change of the LTIP Terms and Conditions by Patria.** Patria may amend the LTIP Terms and Conditions with immediate effect, provided that it does not unilaterally interfere with Customer's rights and obligations. Such change may be, in particular, a modification of the LTIP Terms and Conditions caused by technological developments or a change in the provisions of legislation from which we cannot contractually deviate. Patria may also propose a change to the LTIP Terms and Conditions as described in the Agreement.
- 3.4 **Change in legislation.** If the Agreement ceases to comply with the legislation in the future, Patria may not allow the Customer to continue under the Agreement and will offer to enter into a new compliant agreement with the Customer.
- 3.5 **Methods of termination of the Agreement.** The Agreement may be terminated (subject to any conditions) as follows:
- by agreement;
  - by a notice;
  - by rescinding a distance Agreement;
  - on other grounds specified in the LTIP Terms and Conditions or in the legislation.

- 3.6 **Notice of termination.** The Agreement may be terminated by any Party at any time by written notice without giving any reason. The notice period shall be 10 Business Days and shall commence on the day following the day on which the notice is delivered to the other Party. All unexecuted Orders will be cancelled upon the effective date of termination of the Agreement, provided that it is technically possible and that the rules and practices of the relevant market allow it.
- 3.7 **Consequences of notice of termination.** If there are funds or Investment Instruments kept within the LTIP, Patria will transfer them to the Brokerage Account established by the Master Agreement upon termination. If the Customer's termination results in the return of tax support for the LTIP, Section 2.11 of these Terms and Conditions will apply, whereby Patria will notify the Customer of the consequences of termination and the Customer has to confirm to Patria in writing that he/she is aware of these consequences. Until the Customer's confirmation, Patria cannot transfer the Investment Instruments or funds under this Section or terminate the LTIP and therefore the notice period is extended until the Customer provides confirmation. In the event of termination by Patria, Customer's acknowledgement that he/she is aware that termination may result in the return of tax support will not be required for termination to be effective. The Master Agreement will not be affected by termination of the LTIP and will remain in effect.
- 3.8 **Rescission of a distance Agreement.** If the Parties entered into the Agreement by means of distance communication (i.e. without the personal presence of both Parties), the Customer also has the right to rescind the Agreement in compliance with Section 1846 and Section 1847 of the Civil Code within 14 days of entering into the Agreement providing the Customer submitted no Order before the rescission of the Agreement or, if the Customer submitted an Order, providing the Customer duly cancelled the Order before delivery of the rescission to Patria. The Customer shall exercise the right to rescind the Agreement by delivering to Patria the rescission of the Agreement in written form. If the Customer exercises the Customer's right, if any, to rescind the Agreement, Patria may request payment for any services which have already been provided. Unless the Customer exercises the Customer's rescission right by the statutory deadline, the Customer may not rescind the Agreement but the Agreement may still be terminated subject to the terms and conditions stipulated therein.
- 3.9 **Termination of the Agreement by transfer of funds or Investment Instruments from the LTIP.** Upon transfer of funds and/or Investment Instruments out of the LTIP, the LTIP shall terminate, and the Agreement shall be terminated at the time of transfer, unless there is no obligation to repay tax support. The consequences of such transfer on other assets kept within LTIP are the same as in the case of termination of the LTIP by notice and the provisions of Section 3.7 of these LTIP Terms and Conditions shall apply accordingly. The above also applies to partial withdrawal of assets from the LTIP, even if the tax support is preserved.
- 3.10 **Expiration/termination of the Master Agreement during the duration of the LTIP.** The Master Agreement cannot be terminated during the duration of the Agreement.
- 3.11 **Customer's death.** In the event of the Customer's death, Patria will terminate the LTIP Agreement. However, the assets under the LTIP will be kept in the Brokerage Account and settled in inheritance proceedings.
- 3.12 **Effects of termination of the Agreement.** In the event of termination of this Agreement, such termination shall be effective only for the future.

- 3.13 **LTIP change.** Patria is entitled to unilaterally change the name of the LTIP or the parameters of the LTIP at any time that do not objectively affect the Customer negatively, in particular do not adversely affect the Customer's rights and obligations associated with the LTIP.
- 3.14 **Statement.** The Customer acknowledge that for the purposes of the LTIP Patria will rely on the information provided by the Customer in the Investment questionnaire in connection with the Master Agreement. If the information provided by the Customer changes, the Customer shall update the Investment questionnaire to enable Patria to assess, in accordance with the regulation, whether the provision of the investment service (including such under the LTIP) is appropriate, suitable and the investment is appropriate for the Customer's target market.