

# Principles of providing investment advice and other investment services

## 1. INVESTMENT ADVICE

1.1 **Individuals providing advisory services.** Investment advice provided by Patria brokers over the phone is available at, and only at, the following telephone numbers:

(+420) 221 424 242  
(+420) 221 424 103  
(+420) 221 424 105  
(+420) 221 424 107  
(+420) 221 424 109  
(+420) 221 424 110  
(+420) 221 424 112  
(+420) 221 424 113  
(+420) 221 424 182  
(+420) 221 424 230  
(+420) 221 424 412  
(+420) 221 424 413  
(+420) 221 424 414

Patria is entitled, but not obliged, to provide investment advice via e-mail communication.

- 1.2 **Subjects of investment advisory services.** Patria provides investment advisory to Client or Authorized person assuming that conditions in 1.3 and 1.5 are met.
- 1.3 **Advisory agreement.** Patria provides investment advice to Clients only **if** an investment advisory **agreement is entered into**. The agreement may be initiated at the Client's or Authorized person's request or it may be the broker's initiative if the broker identifies a business opportunity for the Client.
- 1.4 **Frequency of advice.** Patria always provides a **one-off** investment advice with respect to a specific Investment Instrument and trade with it (transaction-related investment advisory). In other words, Patria **does not provide** continual investment advisory services consisting in active monitoring of the Client's portfolio and/or market opportunities (portfolio-related investment advisory) and does not commit to inform the Client of any market opportunities or impending losses.
- 1.5 **Advisory based on investment questionnaire.** Patria may only provide investment advice to those Clients who fill out whole investment questionnaire (Client's knowledge and experience, investment goals, tolerance to risk, financial background and his sustainability preferences), because investment advice is based on the Client's answers entered in the questionnaire. In case that Authorized person acts for the Client, Patria may only provide investment advice to the Authorized person when the Client and the Authorized person have completed the entire investment questionnaire. In such a case, Patria evaluates for the purposes of suitability answers of the Client concerning his tolerance to risk, financial background and his investment goals including his sustainability preferences and the answers of the Authorized Person concerning his knowledge and experience.

Consequently, it is of utmost importance that the Client (Authorized person) provides up-to-date, accurate and complete information to Patria in the investment questionnaire. The filled-out questionnaire will enable Patria to compile a list of categories of Investment Instruments which the broker may recommend to the Client (Authorized person). The ultimate suitability of any particular Investment Instrument which the broker may recommend to the Client (Authorized person) is further determined by the broker on the basis of his or her knowledge of the current events in financial markets, the Client's short-, middle- and long-term expectations and estimates, the Client's situation, investment goals, aversion to risk and industry preferences gathered from the investment questionnaire and further elaborated on during the advisory interview.

- 1.6 **Nature of investment advice.** Investment advice provided by Patria is based on an extensive analysis of various types of Investment Instruments, primarily bonds (debentures), shares, collective investment securities, ETF, ETC, investment certificates, leverage certificates and warrants. The advice provided by Patria is not limited to the Investment Instruments issued or provided by entities which have a close connection or any other legal or economic relations with Patria. Nonetheless, Patria has such relations with some of these entities, which is outlined below in this document. Hence, the investment advice provided by Patria **is not independent** in terms of the applicable laws and regulations.
- 1.7 **Patria's relation to third parties.** Patria has the following relationships with the issuers of Investment Instruments. Patria has entered into contracts for distribution of collective investment securities with the companies defined in the document [\*Conflicts of Interest Policy Patria Finance a.s.\*](#) and from which, according to it, Patria receives a consideration for distribution. Patria also provides investment advice with respect to Investment Instruments of issuers or asset managers of the respective funds which belong to the same Group as Patria, primarily: Československá obchodní banka, a.s., ČSOB Asset Management, a.s., investiční společnost and KBC Asset Management NV.
- 1.8 **Suitability Statement.** When providing investment advisory, before any transaction is made, Patria provides to the Client (or Authorized person in case the Client is represented by such) a Suitability statement in the form chosen by the Client in the Agreement. The Statement will contain information concerning the provided advice and how the advice given meets the preferences, including his sustainability preferences or their adaptation, goals and other characteristics of the retail Client (Authorized person). Investment advice provided by Patria during a phone call is valid only for the duration of the phone call. If a transaction regarding any given Investment Instrument is negotiated or an Order given by means of remote communication, which prevents the provision of the Suitability statement in advance, Patria may provide the Suitability statement immediately after the transaction is executed or the Order given, subject to the following conditions: (i) the Client will agree with the provision of the Suitability statement without undue delay after the transaction is executed/the Order given and, at the same time, (ii) Patria enables the Client to postpone the transaction/giving of the Order so that the Client may receive the Suitability statement in advance.
- 1.9 **Regular assessment of suitability.** Patria **does not provide** any regular evaluation of suitability of the Investment Instruments recommended to the Client to whom Patria has provided the investment advice.
- 1.10 **Third-party scoring.** If Patria offers any third-party Investment Instruments and distributes or refers to any information or promotion documents of such third parties, the documents may contain a product or risk score or any other suitability indicator or, as applicable, risk indicator used by the third parties in the provision of investment advice or other investment services. Considering the fact that the guidelines and procedures for the provision of investment services

for the determination of the Client's profile and scoring of the individual Investment Instruments differ with respect to the individual securities brokers/dealers (investment firms), this external scoring may not be sufficiently instructive or binding for the investment advice provided according to Patria's guidelines.

## 2. OTHER INVESTMENT SERVICES

2.1 **Other regimes.** In addition to investment advisory, which may precede the acceptance of the Order to trade in an Investment Instrument, Patria accepts Orders in the following regimes:

- a) **The so-called execution regime** (acceptance of the Order with evaluation of appropriateness test only). This regime is used whenever Patria does not provide investment advice or the conditions for the execution only regime are met. The essence of the execution regime in comparison with the execution only regime is increased protection of Clients through the evaluation of the appropriateness of trades with Investment Instruments that the Client is interested to be executed. In order to evaluate the appropriateness, Patria is entitled to request information from Clients about their knowledge and experience in the field of investments. Patria obtains this information through an investment questionnaire. Without the provision of this information by the Client, Patria will not be able to assess the appropriateness of the transactions with the Investment Instruments that the Client is interested in carrying out. In such a case, the Client cannot trade with a complex Investment Instrument. Patria informs Customers about the appropriateness in the evaluation of the investment questionnaire, always before accepting the Order, and they are also available in the WebTrader internet application, where there is information on appropriateness in relation to types of Investment Instruments and services.
- b) **The so-called execution only regime** (acceptance of the Order without appropriateness assessment). This regime is always provided to Clients only upon their request with the following Client's statements (i) about the refusal of higher protection provided in comparison with investment advisory and execution regime, (ii) about the refusal to provide information about their knowledge and experience and their subsequent evaluation, and further (iii) that it is not interested in trading in complex Investment Instruments. If Patria accepts request of the Client, all relevant services will be provided to the Client only in the execution only regime. The Client always has the right to fill in the investment questionnaire later on and subsequently (after evaluation of the investment questionnaire) the Client will be provided with service of receiving, transmitting and executing the Order in the execution regime or possibly with investment advisory.

2.2 **Other contacts to other services.** Other investment services, i.e. primarily the investment services of receipt and transmission of orders and dealing on own account, are also available, apart from the above-mentioned contacts, at the following telephone numbers:

(+420) 221 424 424

## 3. FINAL ADVICE

3.1 **Contact numbers for potential clients.** The telephone numbers for the provision investment services are reserved for Patria's existing clients. Potential clients may dial (+420) 221 424 240 and (+421) 232 203 203 for more information regarding Patria's offer and the possibilities of opening an account.