

Financial Collateral Agreement

Patria Finance, a.s.

with its registered office at Výmolova 353/3, Prague 5, Postal Code: 150 27

Company Reg. No: 26455064

registered in the Commercial Register administered by the Municipal Court in Prague under File No. B 7215

(hereinafter "**Patria**")

and

First name and surname/company name:

Address of permanent residence/registered office

Street and house number:

City and Post code:

Birth no./company reg. no.:

(hereinafter the "**Client**")

(Patria and the Client hereinafter individually as a "**Party**" or collectively as "**Parties**")

1. SUBJECT OF FINANCIAL COLLATERAL AGREEMENT

- 1.1 **Basic definition.** In this financial collateral agreement (hereinafter "**Collateral Agreement**"), the Parties have agreed to financial collateral for the debts below arising from the Master Investment Services Agreement concluded between Patria and the Client, including all product annexes (hereinafter the "**Agreement**"). The Collateral Agreement is arranged in connection with the Agreement and the Business Terms and Conditions shall be used as applicable.
- 1.2 **Types of secured trades.** Financial collateral is arranged in connection with the Credit or Loan provided by Patria to the Client on the basis of the product annexes to the Agreement for the purpose of Securities trading in which Patria is involved as the creditor or lender.
- 1.3 **Collateral.** As part of the agreed financial collateral, the Client shall provide Patria with Collateral in accordance with Article 2. of the Collateral Agreement and Patria shall accept the Collateral under the conditions laid down in the Collateral Agreement. The Collateral Agreement shall not affect collateral arranged between the Client and Patria in other provisions of the Agreement or otherwise.
- 1.4 **Pledged account.** After the conclusion of Collateral Agreement Patria creates special registry account for the Client especially for the purposes of managing the Asset Collateral and possibly other assets, if stipulated in the Annexes (hereinafter the "**Pledged Account**"). A Pledged account can be named differently in the Business application, e.g. Loan account/portfolio.
- 1.5 **Articles' Titles.** In case this Collateral Agreement states the title of an Article at the beginning of the Article (e.g. in this Article "Articles' Titles"), these titles serves solely for better orientation in the Agreement, not for the interpretation of individual Articles.

1.6 **Definitions.** Unless stated otherwise in the Collateral Agreement, the terms with a capital letter shall have the meaning assigned to them in the Agreement. For the purposes of the Collateral Agreement the below terms shall have the following meaning:

Securities	book-entry securities
Minimum Collateral Value	the minimum value of the Collateral Parameter set in relation to the Credit and in relation to the Loan in the List of Tariffs
Collateral Parameter	<p>in relation to Credit this is the parameter calculated according to the following formula $(CTH-PU)/CTH*100$, where PU means the Credit provided and CTH the total market value of the Collateral</p> <p>in relation to a Loan this is the parameter calculated according to the following formula $CTHK/CTHZ$, with CTHK meaning the total market value of the Collateral and CTHZ meaning the total market value of the Securities which are the subject of the Loan</p> <p>The funds that are blocked for the settlement of the executed Orders or other transactions are not included in the value of the Collateral.</p>
Closing Collateral Value	the closing value of the Collateral Parameter set in relation to the Credit and in relation to the Loan in the List of Tariffs
Credit	funds provided by Patria to the Client in order to allow for the purchase of Securities based on a credit agreement concluded under the Annex on Margin Trading
Initial Collateral Value	as this term is defined in relation to the Credit and Loan in the applicable product annexes. The exact amount of the relevant values of the Initial Collateral Value is listed in the List of Tariffs
ZFZ	Act No. 408/2010 Coll., on financial collateral, as amended
Loan	Securities loaned by Patria to the Client in order to allow their sale on the basis of a loan agreement concluded under the Annex on Short-Selling

2. THE SECURED DEBTS, LEGAL NATURE OF FINANCIAL COLLATERAL, FINANCIAL COLLATERAL

2.1 **Secured debts.** The Parties hereby secure through collateral all existing and future, conditional and unconditional debts of the Client to Patria:

- a) from Credit and all other debts of the Client from the credit agreement concluded under the Annex on Margin Trading, including accessories and contractual penalties (hereinafter collectively as "**Credit Debt**");
- b) from the Loan and all other debts arising for the Client from the loan agreement concluded under the Annex on Short-Selling, including accessories and contractual penalties (hereinafter collectively as "**Loan Debt**");
- c) costs or expenses incurred in connection with the protection, maintenance or exercise of rights or collateral;

d) debts incurred as a result of withdrawing from the Annex on Margin Trading or Annex on Short-Selling or invalidity, apparentness, ineffectiveness, illegality or unenforceability of the Annex or other actions intentionally caused by the Client.

(all collectively also as "**Debts**"), with the caveat that the Debts correspond to financial receivables within the meaning of the ZPZ.

2.2 **Right of lien.** The Client hereby arranges the following in favour of Patria in order to secure:

- a) the Debts, a lien on the account of the Securities owner (asset account) established with Patria for the Client as part of the Pledged account and receivables for payment of funds kept on the Pledged account; and
- b) the Debts except Credit Debt, a lien on other (i.e. registered outside the Pledged Account) claims of the Client against Patria for the payment of funds arising from the Agreement (in particular funds kept by Patria for the Client on accounts with banks) in the amount of the cash component kept on registry account (hereinafter "**Standard account**"),

as financial collateral within the meaning of the ZFZ. Patria shall record these liens on the asset account within the Pledged account to the appropriate account in accordance with the Civil Code. Any future Debts of the Client towards Patria that arise during the duration of the Annex on Margin Trading or Annex on Short-Selling will be secured (or in case the Annexes will be invalid, apparent or ineffective, then from the date of their signing until the year 2999).

2.3 **Pledge.** The subject of the financial collateral shall be:

- a) Securities recorded in the Pledged account (hereinafter "**Asset Collateral**");
- b) receivables for payment of funds in the amount recorded in the Standard account and Pledged account (hereinafter "**Cash Collateral**")

(Asset Collateral and Cash Collateral collectively also as "**Collateral**") with the caveat that this is financial collateral within the meaning of the ZPZ.

2.4 **Acceptable Collateral.** Patria is entitled to set and regularly amend the list of Securities acceptable as Asset Collateral on its Website. All other Securities or Securities burdened with the rights of third parties shall have a value of zero for the purpose of securing any Debt, even in the case that such an amendment to the list of Securities acceptable as Asset Collateral takes place after the Asset Collateral has been provided. Should a Security that is Asset Collateral be converted to a (physical) security, such a Security shall also have a value of zero for the purposes of securing any Debt.

3. PARAMETER OF FINANCIAL COLLATERAL AND DROPS IN VALUE OF FINANCIAL COLLATERAL

3.1 **Initial Collateral Value.** For the purposes of assessing the sufficiency of collateral for Credit Debt or Loan Debt, Patria bases its stance on the applicable Collateral Parameter, whereby this Collateral Parameter must reach at least the applicable Initial Collateral Value at the moment the Client submits an Order for the purchase of Securities on Credit or an Order for the Loan of Securities.

3.2 **Exposure.** Credit Debts and valuation of Loan Debts are added together for the purpose of the valuation of the Debts, and the relevant Collateral securing Debts must amount to that summation increased by the relevant percentage of oversecurity.

- 3.3 Decrease in collateral value.** If at any time during drawing of the Credit or duration of the Loan the relevant Collateral Parameter falls below the applicable Minimum Collateral Value, the Client shall take one of the following measures to ensure the relevant Collateral Parameter reaches at least the applicable Initial Collateral Value:
- a) transferring (i) Collateral to the Pledged account in the case of a drop of the Collateral Parameter in relation to Credit, or (ii) transferring Collateral to Pledged account or funds, on Standard account, in the case of a drop in the Collateral Parameter in relation to a Loan, and in such a value so as the relevant Collateral Parameter reaches at least the applicable Initial Collateral Value or other value stated in Patria's request;
 - b) repaying a portion of the Credit Debt so that the relevant Collateral Parameter reaches at least the applicable Initial Collateral Value or other value stated in Patria's request;
 - c) returning the Securities that are the subject of the Loan, with Patria and the Client having agreed for avoidance of any doubt that, in addition to other situations foreseen by the Agreement, Patria is entitled to demand early return of these Securities from the moment the relevant Collateral Parameter falls below the applicable Initial Collateral Value; or
 - d) Patria gives an Order to sell Asset Collateral in the Pledged account.
- 3.4 Information on current amount of Collateral.** Patria shall inform the Client on the current amount of the relevant Collateral Parameter through the Business Application or upon Client's request and if the condition is not met the Client shall be obliged to take the measures foreseen in Article 3.3. Patria may also inform the Client that the Collateral Parameter has fallen, generally within 12 hours of the moment it discovers this fact (hereinafter "Information Service"). Patria conducts the Information Service primarily through e-mail, by telephone or in writing. Patria's Information Service does not release the Client from the obligation of independently checking that collateral is sufficient pursuant to Article 3.1 and 3.2. Failure to provide the Information Service shall not be an obstacle to the procedure under Article 3.5 and 3.6.
- 3.5 Use of Collateral.** Should the Client not take any of the measures foreseen in Article 3.3 at the latest within 2 Business Days of the relevant Collateral Parameter falling as per Article 3.3, or the relevant Collateral Parameter falling below the Closing Collateral Value, Patria shall be entitled, at its discretion, to sell the relevant Asset Collateral or part thereof, or to use the relevant Cash Collateral to purchase and return the Securities that are the subject of the Loan so that the relevant Collateral Parameter reaches at least the value applicable for the Initial Collateral Value. During sale of Asset Collateral and use of Cash Collateral to purchase and return the Securities that are the subject of the Loan, Patria shall proceed as appropriate according to Article 5 of the Collateral Agreement, being entitled to favour speed of sale or purchase over potentially higher return or lower loss.
- 3.6 Special events.** Patria shall be entitled at its own discretion to sell the relevant Asset Collateral or use the relevant Cash Collateral to purchase and return the Securities that are the subject of the Loan in the case that circumstances arise leading to the fact that the Credit Debt or Loan Debt is unrealisable or becomes so pursuant to Section 2006 et seq. of the Civil Code, as well as if circumstances arise on the capital or financial market or in the economic environment in general that otherwise present a barrier acquitting a party of the obligation to compensate for damages pursuant to Section 2913 (2) of the Civil Code.

4. OTHER RIGHTS AND OBLIGATIONS OF THE PARTIES FOR THE DURATION OF COLLATERAL

- 4.1 **Disposition.** The Client shall be entitled to dispose of the relevant Collateral on the basis of Orders under the Agreement and the Business Terms and Conditions unless the relevant Collateral Parameter is under the applicable Initial Collateral Value, or would fall under the Initial Collateral Value as a result of the Client's Order, or other circumstances specified in the applicable product annex to the Agreement arise.
- 4.2 **Blocking of the funds.** From the pledged funds, Patria primarily blocks those that are kept on the Pledged account. Subsequently, Patria blocks the other pledged funds that are kept on the Standard account, whereas Patria blocks the balance in a certain currency at the highest value and subsequently the balance in another currency at the highest value, etc.
- 4.3 **Consent with transfer.** Patria consents to all transfers of Collateral from the Pledged account or Standard account made in accordance with Article 4.1 and 4.2. Should Asset Collateral be transferred contrary to Article 4.1, the lien to such a transferred security would not cease.
- 4.4 **Exchange of Collateral.** The Client has the right to exchange the provided Collateral for other Collateral if such an exchange would not lead to a drop in the relevant Collateral Parameter below the applicable Initial Collateral Value.
- 4.5 **Change of values.** Patria may unilaterally change the amount of the Initial Collateral Value, Minimum Collateral Value and Closing Collateral Value effective immediately, even in relation to Credit or Loans already provided, through an amendment to the List of Tariffs.
- 4.6 **Obligations of the Client.** The Client undertakes the following:
- a) to provide Collateral that is not burdened by any third party rights;
 - b) not to burden the Collateral with any rights in favour of third parties;
 - c) not to question the validity or enforceability of collateral according to the Collateral Agreement; and
 - d) to monitor the list of Securities acceptable as Asset Collateral on the Website.
- 4.7 **Consequences of the termination.** If the Collateral Agreement is terminated, the Debts become due. This notice period shall not expire before all Debts have been satisfied.

5. SATISFACTION OF DEBTS

- 5.1 **Execution of the Collateral.** Regardless of Article 3.3 of the Collateral Agreement, should the Client fail to satisfy any Debt to Patria by the deadline, Patria shall be entitled to satisfy the relevant Debt from the Collateral at its own discretion. Should it be Asset Collateral, Patria shall sell such Asset Collateral at its discretion at the relevant Execution Venue. In the case of Cash Collateral, Patria shall credit the Client's Debt (even in different currency) to Patria against the receivable (even if not due) for pay-out of the Client's funds, or shall debit in its own favour the corresponding amount of funds. If the Debt consists of returning loaned Securities, Patria shall use the Collateral to acquire and return the loaned Securities. Patria shall also be entitled to offset the receivable incurred from acquiring and returning the loaned Securities against the receivable (even if not due) for pay-out of funds, or to monetise the

Asset Collateral and keep an amount corresponding to the current market value of the loaned Securities.

- 5.2 **Surplus from the execution.** Should the revenue from sale of the relevant Asset Collateral not be used in full to cover the relevant Debt to Patria, Patria shall transfer the remaining amount to the Client and it shall subsequently be registered in the Standard account.
- 5.3 **Professional care.** Patria will proceed as stated above solely to the extent necessary to satisfy the Debt and with due diligence. The costs associated with the sale of Asset Collateral or the use of Cash Collateral to purchase Securities shall be borne by the Client.
- 5.4 **Right of retention.** Should the Client's other debts to Patria not be sufficiently secured, Patria shall have a lien to any of the Client's assets held by Patria or otherwise legally or de facto controlled thereby. Even if the Client makes an Order concerning such assets, Patria shall be entitled to retain such a portion of the assets needed to cover such debt and such retention is not incompatible with any Order by the Client within the meaning of Section 1396 (2) of the Civil Code.
- 5.5 **Earnings.** The Parties have agreed that earnings from Securities acquired on Credit (especially earnings arising from the holding of Securities, e.g. coupons, dividends, etc.) shall be used to cover the Debt.

6. INFORMATION ON FINANCIAL COLLATERAL

- 6.1 **General information.** Financial collateral serves generally to secure transactions concluded on financial markets. Financial collateral can be negotiated as a transfer of financial collateral or as a lien on financial collateral. Compared to civil collateral security it has a specific regime more relevant to the needs of the financial market.
- 6.2 **Specifics of financial collateral.** The primary differences of the financial collateral are as follows:
- financial collateral can secure only receivables of a financial nature;
 - the subject of financial collateral is primarily financial instruments and monetary funds;
 - only the legally defined persons can negotiate financial collateral. In principle financial collateral among persons who do not generally operate on the financial market (e.g. among natural persons) is not possible. Under certain circumstances a natural person can only be a provider of financial collateral;
 - financial collateral has, in certain cases, less formal requirements for being established (it is not necessary for the collateral to be labelled financial, but it is based on a general assessment of the preconditions for establishment; provision of financial collateral to the recipient and actual control of the financial collateral by the recipient is sufficient);
 - the recipient of financial collateral can, in the case of delays with the secured receivable or in other cases foreseen by the agreement, satisfy debts in the manner foreseen by the agreement, otherwise it can satisfy debts by monetising financial collateral or offsetting the value of the financial collateral against the secured receivable;
 - if not specified by the agreement, the legislation shall not be used for executing the right to satisfaction from financial collateral if it provides for (i) the obligation to notify monetisation of the financial collateral in advance, (ii) the obligation for satisfaction from

financial collateral to be approved by court, an administrative authority or other entity, (iii) financial collateral to be monetised in a public auction or other stipulated manner, or (iv) a certain deadline to pass before the right to satisfaction from financial collateral is executed;

- financial collateral enjoys special protection in distraint and insolvency proceedings.

More detailed information can be found in the ZFZ itself.

6.3 **Client's declaration.** The Client declares that Patria has informed them sufficiently of the main characteristics of the legal treatment of financial collateral and about how the legal treatment of financial collateral differs from the general treatment of liens and the transfer of belongings, rights or other assets to the creditor.

7. FINAL PROVISIONS

7.1 **Severability and Replaceability.** In the case of invalidity or ineffectiveness or apparentness of certain provisions of the Collateral Agreement, the other provisions shall not be affected. The Parties hereby undertake to take all steps necessary to replace such an invalid, ineffective or apparent provision with another provision that is valid, effective and enforceable and corresponds to the purpose of the replaced provision and the whole Collateral Agreement.

7.2 **Changes of Agreement.** The Collateral Agreement may be altered or amended solely on the basis of agreement between the parties in the form of a written addendum.

7.3 **Transfer of rights and obligations.** The Client is not entitled to transfer any rights or obligations from the Collateral Agreement to another entity without the prior written consent of Patria. Debts and any part thereof shall not be transferred to any acquirer during transfer of Collateral.

7.4 **Prior agreements.** The Collateral Agreement replaces all prior oral or written agreements associated with the subject of the Collateral Agreement. With the conclusion of this Collateral Agreement, the existing Collateral Agreement concluded between the Parties is canceled and replaced by this Collateral Agreement. The existing collateral provided under the replaced Collateral Agreement persists and it will be governed by the terms of this Collateral Agreement. None of the Parties may invoke any agreements or arrangements that are not explicitly stated in the Collateral Agreement.

7.5 **Change of circumstances.** Patria and the Client take on the danger of a change of circumstances within the meaning of Section 1765 (2) of the Civil Code.

7.6 **Statute of limitation.** The statute of limitation for all debts of the Parties from the Collateral Agreement, the Annex on Margin Trading and the Annex on Short-Selling is extended to 10 years.

7.7 **Termination with effect in the future.** The Parties hereby agree that in the case of any termination of the Collateral Agreement, such termination will only have effects in the future.

7.8 **Counterparts.** The Collateral Agreement has been made out in two counterparts, with the Client and Patria each receiving one. Both counterparts of the Collateral Agreement have the legal weight of an original.

In Prague on _____

In _____ on _____

on behalf of Patria Finance, a.s.
on the basis of power of attorney

Client signature