

# PATRIA

Patria Finance, a.s., Jungmannova 745/24, 110 00 Prague 1, Czech Republic, ID No. 26455064  
Registered with the Commercial Register, Section B, File No. 7215  
Maintained by the Municipal Court in Prague  
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## Patria Finance Terms and Conditions for the Provision of Investment Services

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### CONTENTS

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- I. Subject of the Terms and Conditions and Definitions
- II. Reception, Transmission and Execution of Orders
- III. Currency Conversion
- IV. Record Keeping, Safekeeping and Administration of Investment Instruments and Other Assets
- V. Settlement of Transactions
- VI. Client Categories
- VII. Basic Rights and Obligations
- VIII. Reporting Transactions in Accordance with the EMIR Regulation
- IX. Information for Clients
- X. Authorized Persons and their Acts on behalf of the Client
- XI. Use of Client Investment Instruments
- XII. Claims and Complaints
- XIII. Guarantee Fund
- XIV. Conflicts of Interest
- XV. Mutual Communication
- XVI. Confidentiality
- XVII. Effect

Patria is a securities dealer with the appropriate authorization and its activities are subject to supervision by the Czech National Bank.

These Terms and Conditions for the Provision of Investment Services are terms and conditions applied by Patria Finance, a.s., with its registered office at Jungmannova 24, 110 00 Prague 1, Company ID No. 26455064, URL address [www.patria-direct.cz](http://www.patria-direct.cz), tel. +420 221 424 240, fax +420 221 424 179, registered in the Commercial Register administered by the Municipal Court in Prague under File No. B 7215. Patria provides the following primary and additional investment services:

- receipt and transmission of Orders concerning Investment Instruments;
- execution of Orders concerning Investment Instruments on the client's account;
- trading in Investment Instruments on its own account;
- investment consulting concerning Investment Instruments;
- subscription or placement of Investment Instruments with a commitment to subscribe them;
- placement of Investment Instruments without a commitment to subscribe them;
- safekeeping and administration of Investment Instruments including associated services;
- provision of credit or loans to the Clients to facilitate trading in the Investment Instruments in which the credit or loan provider is involved;
- execution of foreign exchange operations related to the provision of investment services;
- activities similar to investment services that concern the asset value from which the value of a derivative is derived and which relate to the provision of investment services.

### I. SUBJECT OF THE TERMS AND CONDITIONS AND DEFINITIONS

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1. These Terms and Conditions govern all the contractual relations between Patria and the Client, or persons representing the Client, as the case may be. These Terms and Conditions become an integral part of every contract entered into between Patria and the Client and determine a part of its content unless the given contract stipulates otherwise.
2. Unless stated otherwise in the Master Investment Services Agreement entered into between Patria and the Client (hereinafter the "**Agreement**"), the provisions of the Agreement and any potential special arrangements between the Client and Patria have priority over these Terms and Conditions.
3. Capitalized terms have the meaning stated below. If they are not listed below, they shall have the meaning provided in the Agreement.

<b>Client's Bank Account</b>	the Client's monetary account stated in the Agreement to which funds registered in the Brokerage Account are transferred on the basis of an instruction
<b>Supervisory Authority</b>	the Czech National Bank, with its seat at Na Příkopě 28, Prague 1, URL address <a href="http://www.cnb.cz">www.cnb.cz</a> , or some other institution supervising the capital market in the Czech Republic
<b>Guarantee Fund</b>	the guarantee fund for securities dealers
<b>Corporate Event</b>	an event initiated by a corporation as the issuer of shares, bonds or other Investment Instruments received for trading on the regulated market which could influence in a significant manner the price of these Investment Instruments, e.g. dividend pay-out, division of the Investment Instrument, buy-back, changes in the corporate structure, or which could make it impossible to trade in these Investment Instruments
<b>Preferred Market</b>	an execution venue selected in accordance with the Rules for Executing Orders
<b>Foreign Investment Instrument</b>	an Investment Instrument traded at a foreign Execution Venue
<b>Investment Instrument Client Account</b>	a collective account kept by a third party where the Investment Instruments owned by clients are recorded, or another collective account opened for keeping Investment Instruments
<b>Banks Act</b>	Act No. 21/1992 Coll., on Banks, as amended
<b>Corporations Act</b>	Act No. 90/2012 Coll., the Corporations Act, as amended

## II. RECEPTION, TRANSMISSION AND EXECUTION OF ORDERS

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### Execution of Orders

1. Patria executes Orders in accordance with the Rules for Executing Orders, which include the procedures for selecting an Execution Venue. The Rules for Executing Orders are an integral part of these Terms and Conditions; the Client was acquainted with them before signing the Agreement and the current wording is available on Patria's Website in the section Documents and, on request, at Patria's registered office.
2. Patria is not obliged to notify the Client of the name, business name or other identification details of the person with whom an agreement on the purchase or sale of Investment Instruments or a different contract, as the case may be, has been concluded in association with execution of the Client's Order.
3. Patria may execute the Client's Order to purchase or sell an Investment Instrument in that it sells this Investment Instrument to the Client from its own assets or purchases it from the Client for its own assets.

### Order Requirements

4. An Order must contain at least the following information:
  - a) a clear designation of the Investment Instruments (name, ISIN or other indicator);
  - b) direction of the transaction (buy/sell);
  - c) number of units of the Investment Instruments or volume of funds for which the Client wishes to purchase or sell Investment Instruments.
5. The Order may also contain the following information:
  - a) price condition - if the Client does not stipulate the price, Patria will buy/sell the given Investment Instrument for the market price, i.e. the best price attainable when exerting professional care on the Preferred Market or on the basis of the Client's instructions;
  - b) duration of validity for the Order, which may not exceed two months;
  - c) the Execution Venue where the Investment Instrument is to be traded;
  - d) the currency - if the Client does not designate a currency, Patria will purchase/sell the Investment Instrument in the currency in which the Investment Instrument is traded at the Execution Venue chosen in accordance with the Rules for Executing Orders as the Preferred Market.
6. The price conditions as per 5 (a) mean the lowest or the highest price for which the Investment Instrument is to be bought or sold. The price condition is set:
  - a) for shares in the relevant currency per share or another Investment Instrument;
  - b) for bonds as a % of the nominal value of the bond (the price condition for bonds only relates to the amount of the principal and does not include the current value of the coupon (interest yield) of the given bond (accrued interest or aliquot interest yield));
  - c) in another manner according to the customs of the Execution Venue.
7. The validity of an order ends in one of the following manners:
  - a) with the execution of the Order;
  - b) with expiration of the validity of the Order;
  - c) in the case of a change to or cancellation of the Order once the Order is cancelled or changed on the given market.
8. The Client should submit the Order at least 20 minutes before the end of the given Business Day of the given Execution Venue at which he/she wishes the Investment Instrument to be traded. An Order submitted less than 20 minutes before the end of the given Business Day might not be transmitted to the relevant Execution Venue in time; Patria will nevertheless use all possible efforts to transmit such an order to the Execution Venue on the given Business Day.

### Methods of Submitting an Order

9. An Order may be submitted:
  - a) electronically via the Business Application;
  - b) by telephone via the call centre or a broker; investment services are only provided through recorded telephone numbers listed in the document "Principles of providing investment advisory service and other investment services" available on the Website

in the section Documents. Clients are required to use listed numbers for the purpose of transmission of the order and the need of investment service "investment advisory";

c) in writing.

10. An electronically submitted Order shall be submitted on a special form available in the Business Application under the conditions stated therein. Unless the Parties agree otherwise, the submission of an Order must be confirmed by the Client by inputting the Authorization Code.
11. When submitting an Order by telephone, the Client (or Authorized Person if acting on behalf of the Client) must identify him/herself by providing at least the following information:
  - a) the business name or name and surname of the Client;
  - b) the password issued for telephone communication (TPIN) or the Authorization Code, or some other agreed identifier; where an Order is submitted to a broker, this applies only if the broker requests such identification;
  - c) other data demanded by Patria if Patria considers such information to be necessary to identify the Client.
12. As a rule, a written Order shall be submitted on a standardized form and must be delivered (i) in person, (ii) by post to the address of Patria's headquarters, (iii) by fax to the designated fax number, or (iv) if expressly agreed, by e-mail. The Order must contain all the data marked on the form or stated in the Agreement as required, and must be signed by hand.
13. Before an Order is submitted, Patria may request verification from the Client by virtue of the Authorization Code or in some other appropriate manner. The Client must advise Patria whether the Client is submitting the Order on his/her own account or as the representative (Authorized Person) of another Patria client.
14. Receipt of the Order is registered by Patria in its electronic trading system.

#### **Cancellation, Rejection of an Order**

15. An Order may only be cancelled under the following conditions:
  - a) it has not yet been executed;
  - b) this is not at variance with the applicable regulations and customs of the Execution Venue and cancellation is possible in technical and contractual terms (in relation to third parties).

If the Order has been partially executed, only the non-executed part of the Order can be cancelled. Where execution of the Order is provided for via third parties, the Order may only be cancelled if the conditions stipulated by these parties are also met. Client acknowledges that the market practice of some foreign Execution venues allows cancelling the trade execution, especially in cases when trade is executed at a price which significantly differs from other regular price of Investment Instruments.

16. Patria may refuse to accept an Order submitted by the Client or Authorized Person at its own discretion without stating a reason, and without executing an Order that has already been accepted. Patria may refuse an Order for the following reasons in particular:
  - a) the Order is an Order for a transaction that does not concern an Investment Instrument offered for trading in the Business Application;
  - b) Patria has doubts as to whether the Order is being submitted by the Client or his/her Authorized Person;
  - c) the Order runs counter to the Agreement or is faulty, imprecise, incomplete, incomprehensible, non-standard, irregular or suspicious for some other reason in terms of the price or other condition, or Patria has well-founded doubts about its authenticity;
  - d) the tasks or services required on the part of the Client/Authorized Person for executing the Order have not been carried out;
  - e) in the cases stipulated by the legal regulations and/or decisions of the competent authorities or in cases where execution of the Order would result in violation of the legal regulations, even if indirectly;
  - f) the Client does not have enough funds in his/her Brokerage Account to pay the total purchase price including all the Costs and the Fee or sufficient Investment Instruments; the risks arising from possible fluctuation of Investment Instrument prices and exchange rates shall always be taken into account in determining whether the Client has sufficient funds (unsatisfactory validation);
  - g) in the opinion of Patria, there are well-founded doubts as to whether all the conditions for execution have been or will be met;
  - h) there are variances or discrepancies between Orders of persons authorized to submit them (e.g. in the case of a discrepancy between an Order submitted by an Authorized Person and an Order submitted directly by the Client or in the case of a conflict among Orders submitted by individual Authorized Persons);
  - i) the Client has become insolvent or bankruptcy has been declared on the Client's assets (including cases where a bankruptcy petition is rejected due to a lack of the Client's assets) or reorganization or debt relief has been approved or an insolvency petition have been made against the Client, or the Client has entered into liquidation or a decision has been made on the Client's dissolution without liquidation;
  - j) the Client is overdue with fulfilling any of his/her obligations according to these Terms and Conditions or the Agreement;
  - k) any declaration made by the Client in the Agreement is or becomes untrue, incomplete or misleading;
  - l) the conditions stated in these Terms and Conditions are not met;
  - m) there could be manipulation of the financial market, disruption of transparency or abuse of internal information;
  - n) in other cases stipulated by the legal regulations, internal regulations of Patria issued on the basis of those legal regulations or the Agreement, especially due to the existence of a conflict of interest between Patria, including its management, appointed representatives and employees or the management, appointed representatives and employees of an entity that controls Patria, is controlled by Patria or is controlled by the same entity as Patria, and clients or mutually among clients;
  - o) the Order concerns Investment Instruments that are the subject of a redemption procedure according to a special law or are damaged, incomplete or do not meet the stipulated requirements or which have been pledged or are not fit for trading for any other reason.
17. If Patria receives an Order and refuses its execution it shall inform the Client or the Authorized Person if the latter acted on behalf of the Client, of this matter without delay and, if possible, agree with him/her on further steps or an alternative solution.

#### **Execution of an Order**

18. Execution of an Order means especially conclusion of a transaction at the relevant Execution Venue.
19. Patria shall execute an Order - or submit it to a third party for execution - without delay, fairly and without protraction in accordance with the schedule of the Execution Venue. In the case of significant difficulties regarding the proper execution of the Order, this fact

will be pointed out to the Client without delay, together with the relevant reason, and further steps shall be agreed on, either by telephone or in some other manner that the Client has selected for communication in connection with the relevant Order.

20. Unless the Order or the Agreement indicates otherwise, Patria may also execute an Order partially. The Client acknowledges and agrees that his/her Order may be executed only partially, or may be reduced by a certain percentage. If the Client is interested in buying or selling only the exact amount of Investment Instruments stated in the Order, the Client must explicitly advise Patria of this fact when submitting the Order.
21. Information on the result of Order execution is displayed in the relevant section of the Business Application without delay, but not later than on the following Business Day, or if Patria executes the Order via a third party, then not later than on the Business Day following the receipt of confirmation from the third party. Patria and the Client may agree on a different method of notifying the result of execution of an Order. Patria shall also provide the Client with information on the status of an Order that has yet to be executed, and shall do so without undue delay following receipt of a request from the Client.
22. Unless the Order or the Agreement explicitly indicates the opposite, Patria may combine the Client's Orders with the Orders of other clients and with Orders executed by Patria on its own account, assuming that:
  - a) these are only Orders for either purchase or sale;
  - b) it is unlikely that a transaction made on the basis of the combined Order will be less advantageous for the Client than separate execution of the Order, also taking into account the Costs of settling such a transaction;
  - c) the other clients whose Orders are to be combined with the Client's Order have also been informed by Patria in advance of the possibility of Orders being combined;
  - d) the allocation of performance and obligations from the combined Order will not damage any Client.
23. If Patria combines clients' Orders, it has the following obligations:
  - a) keep proper identification of the Orders being combined;
  - b) ensure that a lack of funds or Investment Instruments on the part of the Client or Patria does not prevent or endanger the execution of another client's Order;
  - c) fairly divide up the purchased Investment Instruments and the Costs incurred among the individual clients whose Orders were combined;
  - d) if the whole combined Order cannot be satisfied in its full amount, preferentially satisfy the clients' Orders at least proportionately unless it can prove that it would not be possible to satisfy the clients' Orders under better conditions or at all without its Order.

### **III. CURRENCY CONVERSION**

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1. If it is necessary for the purposes of providing an investment service – especially for the purposes of purchasing an Investment Instrument - to use funds in a currency which the Client does not have in his/her Brokerage Account, the Client may submit an instruction for conversion of funds from one currency to another.
2. The exchange rate published in the Business Application in the section "Currency Conversion" shall be used for the purposes of the currency conversion.
3. If the Client issues an Order for which it is necessary to use funds in a currency which the Client does not have in his/her Brokerage Account and the Client does not simultaneously submit an instruction for a currency conversion of funds into that currency, Patria may convert funds kept in the Client's Brokerage Account into the relevant currency within the scope necessary for the provision of the investment service. All the costs incurred in these currency conversions shall be paid by the Client and the Client shall also bear the risk associated with exchange rates. The exchange rate published on the subsequent business day in the Business Application in the section Currency Conversion shall be used in this case.
4. Funds in all main global currencies may be converted through Patria, including especially currencies in which Patria keeps bank accounts. An overview of such accounts is provided in the document "Patria Finance contact details and bank account numbers" published on the Website in the section Documents. If Patria and the Client agree, Patria may also exchange funds in other currencies.
5. Foreign exchange instructions may be submitted:
  - a) electronically via the Business Application;
  - b) by telephone;
  - c) in writing.
6. The exchange transaction will be executed at the moment the Client and Patria agree on the following conditions of the transaction:
  - a) the type and amount of currency that is to be the subject of the transaction, i.e. the currency Patria is to purchase from the Client and the currency which Patria is to sell to the Client;
  - b) the exchange rate; and
  - c) the amount to be exchanged.
7. Settlement of the currency conversion takes place in accordance with market customs, most frequently in the time  $t+2$ , where "t" is the date of submission of the instruction for the currency conversion.
8. The provisions on Orders stated in Art. II. above shall apply analogously to exchange instructions unless this would be at variance with the nature of currency conversion.

### **IV. RECORD KEEPING, SAFEKEEPING AND ADMINISTRATION OF INVESTMENT INSTRUMENTS AND OTHER ASSETS**

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#### **Activities performed by Patria**

1. In providing the services of record keeping, safekeeping and administration of Investment Instruments, even without an instruction from the Client, Patria shall:
  - a) keep, in accordance with the valid legislation, records of the Client's Investment Instruments that it receives in connection with this Agreement;

- b) inform the Client without undue delay, through the Business Application or by e-mail, of Corporate Events it learns about from the Depository or its Custodian;
  - c) take acts which, in connection with a Corporate Event, lead to preservation of the rights associated with an Investment Instrument, in particular receiving and holding for the Client all Investment Instruments it receives from an issuer or its Custodian as a result of Corporate Events;
  - d) take all acts that are required in relation to the receipt of payments, income or yields from the Property, and accept these payments from an issuer or its Custodian;
  - e) collect from an issuer or its Custodian all interest, dividends or other income associated with the Property, which Patria credits to the appropriate Brokerage Account;
  - f) provide and sign declarations and confirmations of ownership of the Property if such an activity is in accordance with the responsibilities of a securities dealer and such a document is required by the Depository or administrative or other governmental authorities;
  - g) take further acts which it justifiably deems necessary or desirable to fulfil Patria's obligations arising from the Agreement.
2. On the basis of an instruction, Patria shall, in particular:
    - a) exchange and transfer or subscribe Investment Instruments, credit yields from sales to the appropriate Brokerage Account or debit the purchase price including all associated Costs from the Brokerage Account;
    - b) exercise the right arising from an option acquired for the Client as part of a Corporate Event, or sell such an option.
  3. If it is necessary for the Client to give Patria an instruction as a result of a Corporate Event or some other event by the deadline stipulated in a written notification and the Client fails to provide an instruction or if his/her instructions are unclear, Patria shall proceed as follows:
    - a) In the case of acts requiring that the investor decide whether to carry out further investment (voluntary corporate acts), Patria shall take no action, even if rights allowing the investor to take part in the relevant corporate act exist separately from the relevant Investment Instrument.
    - b) In the case of obligatory corporate acts requiring that the Client make a choice, Patria shall make the default selection offered in its message to the Client.
    - c) If it is necessary to make a decision on the direct debit of any income in cases not stated above, Patria shall proceed exclusively at its own discretion without incurring any liability in this connection.
  4. Unless otherwise agreed between Patria and the Client in writing, Patria shall not exercise or provide for the execution of any voting rights associated with the Investment Instruments.
  5. The Parties have agreed that the bank account within the meaning of Section 264 of the Corporations Act, i.e. the bank account kept in the list of shareholders to which the issuer pays the profit share to the Client as a shareholder, is the Patria's Bank Account.

#### **Client Funds**

6. Patria keeps the Client's funds in collective accounts of banks in the Czech Republic (accounts with a special regime according to the Banks Act) and in bank accounts in EU Member States. The current list of these banks is given on the Website in the section Documents.
7. The funds of individual clients are divided up proportionally among all the institutions whose accounts in the relevant currency are being used at the given moment. At any time, Patria is capable of dividing up the funds of each individual client proportionally according to the balances in the individual bank accounts and clearly identifying the amount of funds deposited in an individual banking institution.
8. Bank accounts kept by banks according to paragraph 5 hereof where client funds are kept may be included in the system of bank deposit insurance. If the bank is unable to pay out the deposits, the Client is subject to the risk of failure of this institution in light of the fact that the client funds are kept in accounts with a special regime separately from Patria's funds. If the bank is unable to pay out the deposits (i.e. the bank is unable to honour its obligations to entitled persons), the Client has no right to demand funds from Patria. If the banking institution where the client funds are deposited becomes insolvent, Patria shall calculate the amount of funds of individual clients kept there at the time of declaration of insolvency (as of the end of the day it was declared). Patria shall then inform the clients of the amount of funds they had at the given institution. In such a case the clients will be compensated from the bank deposit insurance system up to the limit stipulated by the legislation of the given country. If a bank based in the Czech Republic is unable to pay, the clients will be compensated as entitled persons in accordance with Section 41a et seq. of the Banks Act.
9. Unless Patria and the Client agree otherwise, the Client's funds in the Brokerage Account shall be subject to interest. The interest rate shall be set in accordance with the terms and conditions of the banks where the client funds are kept. The amount of interest shall be calculated according to the average daily balances of the Brokerage Account during the monitored period. The calculated interest shall be credited to the Brokerage Account by the 10<sup>th</sup> (tenth) Business Day of the following quarter at the latest.

#### **Depositing of Investment Instruments**

10. Book-entered Investment Instruments are deposited or recorded with the Depository or Custodians.
11. Unless the Parties agree otherwise, the Client's Investment Instruments shall be deposited with third parties in collective accounts, rather than in individual accounts opened in the Client's name. These parties may be entitled to submit the Client's Investment Instruments to other domestic or foreign persons for secondary safekeeping. Patria's Investment Instruments shall be deposited with third parties in an account other than the collective account for the Client's Investment Instruments. The Client is always entitled to receive a share in the Investment Instruments held abroad in the collective account corresponding to the number of Investment Instruments held for the Client by Patria.
12. The legal treatment of the Client's assets and the applicable jurisdiction, supervisory authority, conditions for payment of compensation (including maximum amount) from the guarantee system and other Client rights associated with the regime of client property may vary significantly in individual countries. Although Patria proceeds with professional care in selecting and subsequently monitoring the third parties, damage cannot be ruled out in advance and Patria is not liable for any such damage.
13. Certain Depositories/Custodians may have a right of pledge or similar right to the Investment Instruments they hold in order to secure their receivables from their clients. Foreign laws usually provide protection for investors in the case of insolvency of the Depository/Custodian in the sense that their Investment Instruments held by the Depository/Custodian do not become part of the debtor's assets. However, if the foreign laws do not provide sufficient legal protection to investors or if the Depositor/Custodian does not properly fulfil its obligations or if the Client's Investment Instruments are not identifiable and distinct from the assets of the

Depository/Custodian for whatever reason and the Depository becomes insolvent, there is a risk that the Client's Investment Instruments could become part of the debtor's assets and the Client will have to claim its receivables in insolvency proceedings as an unsecured creditor.

#### **Statement of the Brokerage Account**

14. At least once per calendar year, the Client shall be provided with a statement on the cases of use of the Client's Investment Instruments on Patria's own account and, once annually, the Client shall be provided with a statement on the changes in and the status of funds and Investment Instruments in the relevant Client's Brokerage Account. The Client agrees that the statement may be provided by being displayed in the appropriate section of the Business Application. The Client and Patria may agree that statements of the Brokerage Account will be drawn up and provided in written form and sent to the Client's mailing address.
15. A statement shall contain at least the following:
  - a) the status of Investment Instruments and funds in the Brokerage Account;
  - b) the records of changes in Investment Instruments and funds;
  - c) an overview of executed Orders for the purchase and sale of Investment Instruments;
  - d) interest accrued on the recorded funds;
  - e) the extent to which the Client's Investment Instruments or funds are used for transactions consisting in financing Investment Instruments (e.g. loans, repo operations or reverse repo operations, buy-sell back operations or sell-buy back operations);
  - f) the share of the potential yield acquired by the Client in connection with a transaction listed under letter e) and the base from which the yield came.
16. If a Brokerage Account statement sent to the Client by post to the agreed address is returned to Patria as undeliverable due to the fact that the Client is not known at that address or has deceased, Patria shall not be obliged to send the Brokerage Account statements to the agreed address and may destroy the statements. The Client may subsequently request Patria to issue a new statement, or may obtain a copy of the statement in the Business Application.

#### **Fees for Investment Instrument Records**

17. The Client acknowledges that, as a rule, pay-outs of yields from holding or disposal of Investment Instruments are subject to taxes and fees.

#### **Cancellation and Corrections**

18. If Patria does not receive Property or any income or payment in connection with Property it credited to the Client's Brokerage Account, it may cancel the credit and adjust the interest provided accordingly. Patria may correct any items credited incorrectly to the Client's Brokerage Account retroactively as of the date when the correct amount was to be credited or when no amount was to be credited and to adjust the charged or provided interest accordingly.

#### **Deposits and Withdrawals to and from the Brokerage Account**

19. The Client may deposit funds, Investment Instruments and any other assets admitted by Patria in his/her Brokerage Account and withdraw the same from the Brokerage Account.
20. Depositing of funds in the Brokerage Account means a bank transfer of the Client's funds to the Patria's Bank Account. The list of bank accounts, including the currencies in which they are kept, is provided in the document "Patria Finance contact details and bank account numbers" published on the Website. As a rule, the deposit shall be recorded in the Brokerage Account on the following Business Day after the funds were credited to the Patria's Bank Account. Patria shall inform the Client in the Business Application that the funds have been credited to the Brokerage Account.
21. Depositing of Investment Instruments in the Brokerage Account means an act on the basis of which the Investment Instrument is added to Patria's records with the relevant Depository or Custodian, in particular:
  - a) for domestic book-entered Investment Instruments recorded with the Central Securities Depository, a transfer for the benefit of Patria;
  - b) for Foreign Investment Instruments, a transfer thereof to the designated Investment Instrument Client Account or the establishment of the right for Patria or a person appointed by it to make the relevant acts regarding the Investment Instrument in question.
22. A transfer of Investment Instruments is typically recorded on the day of the transfer or establishment of the right, or otherwise without undue delay.
23. Withdrawal of funds from the Brokerage Account means the transfer of the Client's funds to the Client's Bank Account. The Client may submit an instruction for withdrawal of funds from the Brokerage Account if these funds are not bound in connection with a submitted instruction or with the Client's obligations arising from an instruction or the Agreement. Patria shall take all necessary steps for these funds to be debited to the Patria's Bank Account at the latest on the Business Day following the day designated by the Client in the instruction, i.e. the maturity date. If, according to the Client's Order, the funds are to be transferred to an account other than the Client's Bank Account, the Order must be made in writing, must be signed by the Client and the signature must be authenticated.
24. Withdrawal of Investment Instruments from the Brokerage Account means an act by which the Investment Instrument is removed from Patria's records with the relevant Depository or Custodian, in particular:
  - a) for domestic book-entered Investment Instruments recorded with the Central Securities Depository, a transfer from Patria to a different dealer;
  - b) for Foreign Investment Instruments, their transfer from the collective account to a property account designated by the Client.
25. The Client may submit an Order for withdrawal of Investment Instruments from the Brokerage Account under the condition that the Client has no obligations toward Patria or third parties from contracts executed by Patria on the basis of an Order relating to these Investment Instruments.
26. An instruction for deposit or withdrawal of funds must contain at least the following data:
  - a) identification of the person who submitted the instruction (Client/Authorized Person);
  - b) type of operation (deposit/withdrawal);
  - c) amount;
  - d) currency;

- e) maturity date.
27. An instruction for deposit or withdrawal of Investment Instruments must contain at least the following data:
- a) identification of the person who submitted the Order (Client/Authorized Person);
  - b) specification of the Investment Instruments (name, ISIN or other);
  - c) type of operation (deposit/withdrawal);
  - d) number of Investment Instruments;
  - e) date of execution of the Order;
  - f) identification of the counterparty.

## **V. SETTLEMENT OF TRANSACTIONS**

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1. Settlement of a transaction means fulfilling the obligations under a transaction entered into on the basis of an Order. Patria shall settle transactions in particular as follows: (i) when purchasing Investment Instruments, by crediting the purchased Investment Instruments to the Brokerage Account and debiting the funds used to purchase the Investment Instruments to the Brokerage Account, (ii) when selling Investment Instruments, by debiting the sold Investment Instruments to the Brokerage Account and crediting the funds acquired for these Investment Instruments to the Brokerage Account.
2. Settlement of transactions shall take place at the time and in accordance with the conditions of the Execution Venues or the persons executing or providing for execution of the transactions and according to the nature of the other involved parties.
3. Unless expressly agreed otherwise, the Client's funds remain in the Brokerage Account after the settlement of a transaction. This shall not prejudice the Client's right to issue an instruction for withdrawal of funds following settlement of a transaction.
4. Patria may refuse to accept any Property for the Client if the Property has legal or other defects or it justifiably arouses other suspicions and, on these grounds, it may take steps to cancel the settlement of the transaction; Patria shall inform the Client of every such case without delay.
5. In accordance with the relevant regulations or customs of the Execution Venues and settlement centres, the settlement of a transaction may take place in a manner other than "delivery against payment". Patria is not liable for any potential damage incurred by the Client in cases where settlement takes place in accordance with the relevant regulations or customs of the given Execution Venue or settlement centre. Patria shall always be obliged to exercise all claims related to such damage for the benefit of the Client if the Client so requests.
6. Unless expressly agreed otherwise, if multiple transactions are executed (where there are multiple receivables and debts following therefrom), the final (net) amount of the receivable or debt shall be set on the basis of set-off (compensation) of individual receivables and debts arising from the given transactions.
7. If there is a delay in settling a transaction or if it is not settled at all, Patria shall inform the Client of this fact and, at the same time, notify the Client of the reason for this fact and agree on further steps with the Client.

## **VI. CLIENT CATEGORIES**

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1. In connection with execution of the Agreement, Patria is obliged to classify its clients in categories so as to ensure an appropriate degree of protection for each category of clients in the provision of investment services. The categories of clients are Retail Client, Professional Client and Eligible Counterparty.
2. Patria shall distinguish between Professional Clients by law and by request.
3. Professional Client (by law) means a person listed in Section 2a (2) of the Capital Market Undertakings Act, i.e. a company that meets at least two of the following three criteria according to its most recent annual report: (i) its total assets equal at least EUR 20 000 000; (ii) its net annual turnover corresponds to a value of at least EUR 40 000 000; (iii) its equity capital corresponds to an amount of at least EUR 2 000 000;
4. Professional Client by request means a Retail Client who meets the prescribed criteria or an Eligible Counterparty if he/she requests treatment as a Professional Client and Patria approves the request.
5. Professional Clients are not afforded the same level of protection as Retail Clients, especially in the following areas:
  - a) provision of information to clients;
  - b) requesting information from clients in terms of their knowledge and experience in order to assess whether a service or Investment Instrument is suitable or appropriate for the Client;
  - c) providing reports to Clients on the processing and execution of Orders.
6. Patria shall distinguish between Eligible Counterparties by law and by request.
7. Eligible Counterparty (by law) means a person listed in Section 2a (1) of the Capital Market Undertakings Act, which includes in particular:
  - a) a bank, securities dealer, insurance company, reinsurance company, investment company, pension fund, investment fund, savings and credit union;
  - b) a state or member state of a federation, legal entity that manages state assets in providing for the purchase, sale or administration of receivables or other assets or in restructuring corporations or other legal entities, public entity charged with administering public debt, Czech National Bank, foreign central bank, European Central Bank, World Bank, International Monetary Fund, European Investment Bank or other international financial institution;
  - c) other institutional investors whose decisive and principal activity is investing in financial instruments, including entities performing securitization.
8. Eligible Counterparty by request means a Professional Client who meets the prescribed criteria (see paragraph 12 of Optional Regimes below) if he/she requests treatment as an Eligible Counterparty and Patria approves the request.
9. Patria need not observe the general rules for interaction with clients, especially the rules for executing Orders under the best conditions and for processing Orders, when providing investment services to an Eligible Counterparty.

### **Optional Regimes**

10. An Eligible Counterparty may request reclassification under the category of Professional Clients or Retail Clients for all services and transactions in Investment Instruments. If an Eligible Counterparty does not explicitly request reclassification as a Retail Client, it shall be assumed that it is requesting reclassification as a Professional Client.
11. A Professional Client may request reclassification under the category of Retail Clients for all services and transactions in Investment Instruments. It is the exclusive responsibility of a Professional Client to request a greater level of protection if he/she believes that he/she is not able to assess the associated risks.
12. A Professional Client (including Retail Clients who have become a Professional Client by request) may request in writing that he/she be reclassified as an Eligible Counterparty if he/she meets the prerequisites stipulated by the laws of a country belonging to the European Economic Area in which the Client has his/her headquarters or residence, or by the laws of the Czech Republic if the Client is established outside the European Economic Area.
13. A Retail Client may request in writing that he/she be reclassified under the category of Professional Clients for all services and transactions in Investment Instruments if the Client meet at least two of the three following criteria:
  - the Client made transactions in Investment Instruments of a significant volume on the relevant regulated market or in a multilateral trading facility during the last four consecutive quarters, with an average number of at least 10 transactions per quarter;
  - the size of the Client's property consisting of monetary funds and Investment Instruments corresponds to at least EUR 500 000; or
  - for a period of at least one year, the Client has been performing or performed financial market activities that require a knowledge of transactions or services to which the request pertains.

## **VII. BASIC RIGHTS AND OBLIGATIONS**

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1. The Client acknowledges that, when providing services to its clients, Patria is bound by the duties imposed on it as a financial institution and securities dealer by the valid legal regulations. In particular, the Client has been acquainted with the circumstances that forbid Patria from providing a service to the Client, executing an Order or performing some other act under certain conditions with a view to preventing market manipulation. If the execution of a certain service or order could result in further, in particular financial, obligations for the Client not yet agreed upon, Patria must inform the Client of this fact without delay in the manner which the Client selected for communication regarding the relevant Order, and demand the Client's written consent to the provision of such a service, including specification of the circumstances of the arising of the further obligations and specification of its scope, or a declaration that the scope of the further obligation is not restricted. Patria may refuse to provide a service (accept an Order) that could have a marked negative impact on the Client's financial situation or rights.
2. Unless explicitly agreed otherwise, when submitting an Order for the purchase or sale of Investment Instruments, the Client is obliged to have sufficient funds in his/her Brokerage Account to pay the total purchase price including all the Costs and the Fee or sufficient Investment Instruments; in determining whether the Client has sufficient funds, the risks arising from possible fluctuation of Investment Instrument prices and exchange rates shall always be taken into account. The Client is obliged to provide Patria with all cooperation necessary for the fulfilment of Patria's obligations under the Agreement and for the fulfilment of the subject and objective of the Agreement and, if necessary, grant to Patria all the necessary powers of attorney and take other acts as required.
3. In providing primary investment services without consulting, in accordance with the legal regulations, Patria may demand from the Client information on the latter's knowledge and experience in the field of investment that will allow it to assess whether the contemplated primary investment service, Investment Instrument or transaction is appropriate for the Client. Should Patria determine, on the basis of the information acquired, that the contemplated primary investment service, Investment Instrument or transaction is not appropriate for the Client, it shall be obliged to notify the Client of this fact. If the Client decides not to provide the necessary information or if the Client provides insufficient information, Patria shall be obliged to warn him/her that, in that case, it is unable to assess whether the contemplated primary investment service, Investment Instrument or transaction is appropriate. In providing investment consultancy, in accordance with the legal regulations, Patria may demand from the Client information on the latter's financial situation, investment goals, knowledge and experience in the field of investment so as to allow it to recommend a primary investment service, Investment Instrument or transaction appropriate for the Client. Patria may not recommend a primary investment service, Investment Instrument or transaction if it does not receive information necessary for it to decide on whether it is appropriate for the Client. All information acquired according to the provisions of this paragraph is subject to confidentiality within the meaning of Art. XVI. of these Terms and Conditions. In the case of a Professional Client, Patria may assume that the Client can bear the financial risk associated with investing and that the Client has sufficient experience and knowledge of trading in view of which the Client is considered a Professional Client.
4. Patria is not obliged to demand from the Client information on the latter's professional knowledge and experience in the field of investments and assess whether the contemplated investment service is suitable or appropriate for the Client if the investment services consist in the receipt and transmission of Orders concerning simple investment instruments (the Investment Instruments laid down in Section 15k (2) of the Capital Market Undertakings Act, e.g. shares, bonds, unit certificates of a standard fund) executed on the Client's instigation.
5. Patria may stipulate special conditions for the provision of services (submission of Orders) in relation to certain markets or Investment Instruments, including the fees charged for such services. Patria shall notify the Client of any such special conditions before accepting the Order.
6. All Orders and other acts that Patria executes on the basis of the Agreement are considered acts taken on the Client's account. Patria always considers the Client its client within the meaning of the Capital Market Undertakings Act, regardless of whether the Client is acting on account of or for the benefit of another entity or whether this fact follows from the nature of the matter; under no circumstances shall such a third party be considered Patria's Client within the meaning of the Capital Market Undertakings Act.
7. Eligible Counterparties and Professional Clients are obliged to inform Patria of any change that could influence their classification. If no such information is shared with Patria, it shall be assumed that the Client meets all the prescribed criteria for the category of Eligible Counterparty or Professional Client.

## **VIII. REPORTING TRANSACTIONS IN ACCORDANCE WITH THE EMIR REGULATION**

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1. As from 12 February 2014, legal entities and natural persons conducting business are obliged to report the details of transactions in relevant derivatives entered into on regulated and unregulated markets in accordance with the EMIR Regulation.
2. The duty to report derivative transactions applies to all transactions entered into on or after 16 August 2012 or not yet settled as of that date and it is necessary that the reporting of such transactions meet the requirements stated in the implementing regulations.
3. The above persons are obliged to report transactions to the trade repositories listed on the website at [www.esma.europa.eu](http://www.esma.europa.eu).
4. Patria shall report transactions of behalf of the Client if the latter has expressed consent to such reporting.
5. In accordance with the requirements of the EMIR Regulation, Patria shall conduct portfolio reconciliation at least once a quarter. The reconciliation procedure represents a comparison of the state of the portfolio in Patria's internal systems with the clients' data by sending a Brokerage Account statement to the clients. The Client is obliged to notify Patria of any discrepancies discovered during the reconciliation procedure.

## **IX. INFORMATION FOR CLIENTS**

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1. Patria hereby informs its clients that:
  - a) Investment Instruments and/or services for which an Order can be submitted to Patria may not be appropriate for every investor;
  - b) the availability or marketability of Investment Instruments (liquidity) may differ and for this reason it may be difficult to purchase/sell a certain Investment Instrument in accordance with the parameters of the Order;
  - c) investment in Investment Instruments is generally associated with certain risks arising in particular from the nature of the specific Investment Instrument, changes in the rate thereof, exchange rate fluctuations as well as from the regulations and customs of the public markets or countries; one can secure oneself against such risks, e.g. by virtue of options and futures;
  - d) it does not provide any legal, tax, accounting or similar consulting. If the Client is interested in such consulting, Patria recommends that he/she turns to qualified persons authorized to provide the relevant consulting services. Provision of information on the market situation and acquainting the Client with publicly accessible analyses or recommendations drawn up by Patria or other entities via the Website and call centre or broker shall not be considered investment recommendation.
  - e) the performance provided by Patria does not include the fulfilment of the Client's notification obligations or other Client's obligations following from ownership of the Investment Instruments or share in voting rights. The Client acknowledges that specific obligations ensuing from ownership of Investment Instruments may arise both under the laws of the Czech Republic and under foreign laws. Patria is not responsible for the fulfilment of such obligations, nor does it provide for performance of such obligations;
  - f) entities belonging to the Patria corporate group are as follows – Patria Finance, a.s., Patria Online, a.s., Patria Corporate Finance, a.s.;
  - g) after reclassification as a Professional Client or Eligible Counterparty, the same level of protection is not afforded as for Retail Clients.
2. If the performance is to include trading on Foreign Markets, the relevant funds and Investment Instruments will be kept in collective client accounts in accordance with the trade customs, regulations and rules applied or required in the relevant territory/Foreign Market. Information and data on transactions entered into and executed in foreign execution venues will be provided to the Client in the format and standards customary at such foreign Execution Venues.

## **X. AUTHORIZED PERSONS AND THEIR ACTS ON BEHALF OF THE CLIENT**

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1. In accordance with these Terms and Conditions and the Agreement, the Client may authorize another person who has reached 18 years of age to submit Orders and/or undertake other acts in relation to the Agreement. Power of attorney shall mean the appropriate annex or amendment to the Agreement. This power of attorney may be revoked by the Client and terminated by the Authorized Person at any time in writing. Without undue delay after receiving the notice or termination/revocation of the power of attorney, Patria shall prevent the Authorized Person from accessing the Brokerage Account; it shall do so not later than by the end of the following Business Day.
2. The Authorized Person is empowered, in particular, to:
  - a) submit orders through the Business Application, call centre or broker on behalf of the Client;
  - b) be provided by Patria with investment consulting on the Client's account within the scope in which it may be provided to the Client or in a narrower scope depending on the Authorized Person's investment profile;
  - c) have access to information on the Client's Property and transactions through the Business Application, also for the period before the Client empowered the Authorized Person;
  - d) enter into transactions according to other contracts concluded between the Client and Patria, or other contracts if the Client and Patria have entered into the relevant contract; to undertake all further acts related to the Client's Property kept in the Brokerage Account that do not violate the restrictions below.
3. The Authorized Person may not:
  - a) sign amendments to the Agreement;
  - b) change the Client's registration or contact details;
  - c) take any act that deviates from the standard orders of the Client unless the Authorized Person has a special power of attorney with the Client's authenticated signature to undertake such acts;
  - d) sign other contracts with Patria on the Client's behalf;
  - e) transfer funds from the Client's Brokerage Account to a bank account other than the Client's Bank Account;
  - f) transfer Investment Instruments from the Client's Brokerage Account; or
  - g) change the number of the Client's Bank Account.
4. The Client acknowledges that:

- a) transactions made by the Authorized Person are transactions made on behalf and account of the Client and any loss ensuing from such transactions is the Client's loss;
- b) Patria is in no way responsible for transactions made by the Authorized Person, nor for the selection of the Authorized Person selected by the Client;
- c) the Authorized Person selected by the Client may also be an authorized person for other clients trading through Patria.

## **XI. USE OF CLIENT INVESTMENT INSTRUMENTS**

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1. Patria may only use the Client's Investment Instruments to trade on its own account or on the account of another client if the Client has given its prior explicit consent within the meaning of Section 12e (1) of the Capital Market Undertakings Act, in writing or in another equivalent manner.
2. If the Client's Investment Instruments are used for such transactions, Patria shall inform the Client of the latter's duties arising from the legal regulations.

## **XII. CLAIMS AND COMPLAINTS**

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1. The Client may raise a complaint as to the manner of provision or result of provision of a specific investment service in accordance with the Complaints Rules, with which the Client was acquainted before signing the Agreement and which are accessible on the Patria Website in the Documents section and, on request, at Patria's registered office. Unless explicitly agreed otherwise in writing by the Parties, complaints proceedings shall not suspend the limitation period.
2. The Client (Authorized Person) has the option of turning to the Supervisory Authority with a complaint against services provided to the Client by Patria.
3. Disputes that arise between Patria and the Client when providing investment services, the Client can contact the Financial Arbitrator ([www.finarbitr.cz](http://www.finarbitr.cz)). The right of clients to go to court is not affected.

## **XIII. GUARANTEE FUND**

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1. The Guarantee Fund is a legal entity set up in accordance with Section 128 et seq. of the Capital Market Undertakings Act. The objective of the Guarantee Fund is to secure the insurance guarantee system and provide compensation to clients of a securities dealer arising from the dealer's inability to fulfil its obligations towards clients on grounds directly related to its financial situation. All securities dealers are obliged to take part in the insurance system secured by the Guarantee Fund. Details about the activity and scope of the Guarantee Fund are governed by its statutes, as published at [www.gfo.cz](http://www.gfo.cz).
2. Compensation shall be provided to the Client in the amount and under the conditions laid down by the Capital Market Undertakings Act, but not exceeding the amount of EUR 20 000.
3. At the Client's request, Patria shall provide the Client with information regarding:
  - a) the position of the Guarantee Fund and its bodies;
  - b) the method of calculating the amount and setting the scope of compensation provided to clients;
  - c) the conditions of providing compensation from the Guarantee Fund; and
  - d) the conditions for paying out compensation from the Guarantee Fund.

## **XIV. CONFLICTS OF INTEREST**

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1. Patria proceeds fully in accordance with the internal regulation "Conflict of Interest Policy Patria Finance, a.s."; the following summary provides the basic information for clients:
  - a) Patria has implemented a "Chinese wall" (i.e. physical and electronic barriers) and strictly regulates the methods for passing through this "wall" in order to prevent the exchange of information among relevant persons engaged in activities that could potentially lead to a conflict of interest;
  - b) although the remuneration of Patria's employees can be partially dependent on the company's overall profit levels, there is no direct connection between the remuneration for persons who are engaged in a certain activity and the remuneration for persons who are engaged in some other activity, or between the income these persons generate, if this could lead to a conflict of interest in relation to these activities;
  - c) Patria has adopted independent supervision and lines of reporting for relevant persons who are engaged in activities that could cause the danger of a conflict of interest.
2. The internal regulation "Conflict of Interest Policy Patria Finance, a.s." is an integral part of these Terms and Conditions; the Client was acquainted with it before signing the Agreement and it is available, on request, at Patria's headquarters and on Patria's Website in the section Documents.

## **XV. MUTUAL COMMUNICATION**

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1. Communication between Patria and the Client in relation to the provision of services shall take place in Czech in the manner that the Client selected from the range of means of communication laid down in the Agreement. The manner and form of communication that the Client generally applies in submitting Orders shall be considered their selection. The Client explicitly consents to the provision of information through the Business Application if the information is addressed to the Client personally. Unless expressly agreed otherwise, Patria may provide information, data and messages to the Client in electronic form, by SMS or telephone. The Client may request any communication in English or Slovak. When communicating with the Client, Patria shall take into account, in particular, the Client's category and the nature of the investment service to which the information refers.
2. In communication, the Client is always obliged to use the agreed identification details for the given method of communication.

3. The confirmed postal receipt shall be considered a document on the sending of a registered letter; the confirmation of error-free data transfer serves as a document on the sending of a fax. If Patria receives illegible or incomplete documents, or documents in respect of which there are doubts as to their authenticity or which are not signed by the persons authorized to do so, Patria undertakes to inform the client without delay of this fact. Until it receives a response, which the Client is obliged to provide without delay, Patria shall not undertake any acts on the basis of these documents; until a response is received, the documents which have not been signed or approved by the persons authorized to do so shall not be taken into account and Patria shall not be liable for any potential damage incurred by the Client in association therewith.
4. The Client acknowledges that in the case of electronic communication via mobile phone, fax or e-mail, there is the potential for loss, destruction, incomplete or delayed delivery, unauthorized acquisition, use or abuse of the data transferred. Patria and the Client are therefore obliged to always act so as to mitigate the risk of such data loss to the greatest possible extent.
5. The Client is obliged to inform Patria without delay of all cases of theft, abuse or loss of data in the Client's user profile, or theft or loss of the Client's computer via which the Client communicates with Patria.
6. The Client acknowledges and agrees that the Orders the Client submits by telecommunication devices in connection with the provision of investment services by Patria, as well as telephone communication between Patria and the Client (Authorized Person), is recorded and archived and that in the absence of a written or electronic record, such a recording, which is the property of Patria, shall be a sufficient proof of the acts of the participants concerning performance of the Agreement and may be used when dealing with complaints or potential conflicts and/or for the purposes of Patria's dealings with supervisory and other governmental authorities.
7. In the case of a breakdown of the information system or telecommunication and recording devices used by Patria for communication with the Client, Patria shall be obliged to secure a substitute manner of communication without delay. A substitute manner of communication in the case of a breakdown shall be communication through the Business Application or by mobile telephone. If this is also not possible, communication shall take place by registered post.
8. Patria shall provide for the delivery of written materials and other correspondence or other consignments (hereinafter "**Consignments**") either to the address the Client provided for the purposes of delivery in the relevant Agreement or to the address provided to Patria in writing in advance (hereinafter the "**Mailing Address**"). Unless the Client and Patria agree otherwise, the Mailing Address for a Client who is a consumer shall be the latter's permanent residence address and, for other clients, their address of their registered office. Consignments may be delivered in person, by post, by courier service or in another manner agreed upon that allows for transportation or transmission and demonstrable delivery of Consignments.
9. Unless Patria notifies the Client of a different contact address or agrees on a different method of delivery to Patria with the Client in the Agreement, Consignments intended for Patria must be delivered to Patria's registered office.
10. A Consignment that must be delivered to the Client personally (with a confirmation of receipt) is considered delivered as soon as the Client receives it. If the Client obstructs delivery of a Consignment, the day when the Consignment is returned to Patria is deemed the date of delivery even if the Client did not learn about the fact that the Consignment has been deposited. The Client is deemed to obstruct delivery of a Consignment if he/she refuses to accept it.

## **XVI. CONFIDENTIALITY**

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1. Patria shall maintain confidentiality of all facts that it obtains about the Client (Authorized Person), his/her activities, business matters, financial situation, experience in investing in Investment Instruments, or other transactions, on the goals he/she wants to achieve through the requested services, etc. in connection with the services provided on the basis of the Agreement unless such facts are not publicly known. Patria may disclose information relating to the Client to a third party only with the Client's consent; this shall not prejudice Patria's obligations to provide information to supervisory or other governmental authorities or to other authorised persons or to publish information according to special regulations. The obligation to maintain confidentiality shall survive termination of the legal relationships between Patria and the Client.

## **XVII. EFFECT**

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1. These Terms and Conditions come into effect on 1 December 2016.