KOMERČNÍ BANKA, A.S.
TERMS OF BUSINESS
FOR PROFESSIONAL CLIENTS
AND ELIGIBLE COUNTERPARTIES
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We, Komerční banka, a.s., with our registered seat at Praha 1, Na Příkopě 33 čp. 969, Post Code 114 07, Company No. 453 17 054, registered in the Companies Register maintained by the Municipal Court in Prague, Section B, File 1360, are a bank incorporated under the laws of the Czech Republic, authorised and regulated by the Czech National Bank, with its head office is at Prague 1, Na Příkopě 28, Postal Code 11503, Czech Republic.

This client agreement (as from time to time modified or amended pursuant to Section 16.4) including any schedules, appendices and attachments and any covering letter hereto, as amended from time to time (the “Agreement”), sets out the basis on which we will provide Services (as defined below) and provide to you such other services, as agreed from time to time. This Agreement governs each Transaction (as defined below) entered into or outstanding between us on or after the execution of this Agreement.

It is, therefore, very much in your interests to read this Agreement carefully. Please let us know if there is anything that you do not understand. You are also referred to other important information about our services, including without limitation, information about your client categorisation, risk warnings, our Conflicts of Interest Policy and Execution Policy (as these terms are defined below), which we have made available to you separately.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions. Unless otherwise indicated by the context, the following terms used in this Agreement have the meanings given to them in this Section 1.1:

“Applicable Regulations” means the rules of any relevant regulatory authority, the rules of any relevant exchange, and all other applicable laws and rules in force from time to time, including MiFID, MiFID Implementing Measures, any legislation then in force implementing the provisions of MiFID and MiFID Implementing Measures (including Czech Act No. 256/2004 Coll., on pursuit of business on the capital market, as amended, and any laws and rules implementing that Act);

“Agreement” means this client agreement (as from time to time modified or amended pursuant to Section 16.4) including any schedules, appendices and attachments and any covering letter hereto, as amended from time to time;

“Best Execution” means, in relation to the execution of an order on your behalf, the placing of orders or the reception and transmission of orders, KB’s obligation to take all reasonable steps to obtain the best possible result for you in accordance with the Applicable Regulations, taking into account the factors prescribed by the Applicable Regulations, in accordance with the Execution Policy;

“Business Day” means a day (other than a Saturday or Sunday) which is not a public holiday and on which banks are open for general business in Prague and in principal financial centers of your jurisdiction of incorporation and, in relation to a Transaction, of each jurisdiction where that Transaction is cleared or settled;

“Charges” means the amounts payable to KB in respect of fees, commissions, expenses and charges pursuant to this Agreement;

“CMA” means any Master Agreement for Financial Transactions issued by the Czech Banking Association and any amendment or replacement of any such agreement;

“Confidential Information” means information of a confidential nature (which is either marked “confidential” or is clearly by its nature confidential),
disclosed by one party to the other in connection with this Agreement together with Personal Data or Special Categories of Data (as those terms are defined under EC Directive 95/46/EC), relating to individuals such as your employees, representatives and agents and those of your affiliates, subsidiaries and third parties including clients (if any);

“Conflicts of Interest Policy” means KB’s policy for identifying, monitoring and managing conflicts of interest, as amended from time to time, which KB is to post on KB’s website at the address KB may from time to time notify to you;

“Connected Company” means, from time to time, any subsidiary or affiliated company of KB, (i) agents of any such person; and (ii) direct or indirect third party service providers of any of the foregoing persons;

“Contract Note” has the meaning given to it in Section 4.1;

“Execution Policy” means KB’s policy for complying with its Best Execution obligations, as amended from time to time, which KB is to post on KB’s website at the address KB may from time to time notify to you;

“Financial Instruments” have the meaning given to that term in point 17 of Article 4(1) of MiFID (that is, those instruments which KB is to post on KB’s website);

“GMSLA” means the Global Master Securities Lending Agreement and any amendment or replacement of any such agreement;

“IFEMA” means any International Foreign Exchange Master Agreement and any amendment or replacement of any such agreement;

“ISDA” means any International Swaps & Derivatives Association, Inc. Master Agreement and any amendment or replacement of any such agreement;

“Investment Advice” means the provision of personal recommendations to you, either upon your request or at the initiative of KB, in respect of one or more Transactions relating to Financial Instruments;

“KB” or “us” means Komerční banka, a.s., with its registered seat at Praha 1, Na Příkopě 33 C. 969, Post Code 114 07, Company No. 453 17 054, registered in the Companies Register maintained by the Municipal Court in Prague, Section B, File 1360;

“Market Requirements” has the meaning set out in Section 2.6;

“MiFID” means Directive 2004/39/EC on markets in financial instruments;

“MiFID Implementing Measures” means the implementing measures adopted under MiFID that are from time to time in force;

“Netting Transaction” means a Transaction which is intended to be subject to Clause 9 and for such purpose is identified as a “Netting Transaction” by its own terms, including any transaction liquidated pursuant to Section 9.4.;

“OSLA” means the Overseas Securities Lending Agreement and any amendment or replacement of any such agreement;

“PSA/ISMA” means the Public Securities Association/International Securities Market Association Global Master Repurchase Agreement and any amendment or replacement of any such agreement;

“Relevant Requirements” has the meaning set out in Section 16.5;

“Secured Obligations” means the net obligation owed by you to us after the application of any rights set-off arising under this Agreement or by operation of law;

“Services” means activities undertaken in the course of providing the services referred to in Section 2.2;

“Short Sale” means a transaction which at the time of execution of is a sale of a Financial Instrument that you do not own;

“Specific Product Terms” has the meaning set out in Section 2.4;

“TBMA/ISMA” means The Bond Market Association/International Securities Market Association Global Master Repurchase Agreement and any amendment or replacement of any such agreement;

“Transaction” means an order which you give to us for the purchase or sale of a Financial Instrument, or any other transaction you have entered into with us which is carried out under this Agreement.
2. SCOPE AND CAPACITY

2.1 Scope. This Agreement sets out the basis on which we will advise upon, deal in and arrange deals in investments, enter into Transactions and provide such other Services as agreed from time to time. This Agreement governs each Transaction entered into or outstanding between us on or after the execution of this Agreement. Subject to Applicable Regulations and this Agreement there shall be no restrictions on the Transactions in respect of which we may advise you or deal with you. A description of the main characteristics of the Services we will provide to you is provided in Section 2.2. Except as otherwise expressly stated in this Agreement or separately agreed in writing with you, there shall be no restrictions on the types of Financial Instruments in which you want to invest or the markets on which you want Transactions to be executed.

2.2 Services provided. KB may, subject to this Agreement, provide the following services to you:

(a) reception, transmission and/or execution of orders in relation to one or more Financial Instruments in accordance with Clause 2;
(b) dealing with you on our own account in relation to one or more Financial Instruments in accordance with Clause 2; and
(c) where expressly agreed by KB (but not otherwise), such other services as may be agreed between you and KB from time to time, including, but not limited to, Investment Advice on, or advice on the merits of any transaction in, Financial Instruments, portfolio management, custodianship, safekeeping and related services such as cash/collateral management that shall be subject to a separate agreement for each particular matter, but pending such agreement (and, upon and following such agreement, insofar as is consistent therewith) the terms of this Agreement will apply.

2.3 Commencement. This Agreement shall apply to all Transactions contemplated under this Agreement. Other than in relation to any Specific Product Terms this Agreement supersedes any previous agreement you have entered into with us in relation to any Transaction and takes effect in accordance with Section 16.13. You acknowledge that you have not relied on or been induced to enter into this Agreement by a representation other than those expressly set out in this Agreement. We will not be liable to you (in equity, contract or tort) for a representation other than a fraudulent misrepresentation that is not set out in this Agreement.

2.4 Specific Product Terms. This Agreement is without prejudice to any other terms issued to you by KB or agreements entered into between you and KB in relation to specific products (the “Specific Product Terms”) including, without limitation, ISDA, PSA/ISMA, TBMA/ISMA, OSLA, GMSLA, IFEMA and CMA master agreements. If any provision in this Agreement conflicts with or contradicts a provision in such Specific Product Terms, the provisions of Specific Product Terms shall prevail to the extent of such conflict or contradiction.

2.5 Subject to Applicable Regulations. This Agreement, each Service and all Transactions are subject to Applicable Regulations so that:

(a) in the event of any conflict between the terms and conditions of this Agreement and any Applicable Regulations, the Applicable Regulations shall prevail to the extent of the conflict;
(b) nothing in this Agreement shall exclude or restrict any obligation which we owe to you under Applicable Regulations;
(c) KB shall be entitled to take such action or steps or omit to take any action or steps as it, in its absolute discretion considers necessary to ensure compliance with the Applicable Regulations, including, without limitation, the taking of any action to avoid or mitigate any loss arising as a result of a change in the Market Requirements;
(d) all Applicable Regulations, and anything we do or omit to do in order to comply with them, will be binding on you as if expressly set out herein or authorised hereby;
(e) such actions that we take or omit to take for the purpose of compliance with any Applicable Regulations shall not render us or any of our directors, officers, employees or agents liable; and
(f) you agree to comply with all Applicable Regulations.

2.6 Market Requirements. All transactions in Financial Instruments and the services to which this Agreement relates shall be subject to such of the constitutions, bylaws, rules, regulations, customs, usages, rulings and
interpretations of the relevant exchange or other market where the transactions in Financial Instruments are executed as may be applicable, to the Applicable Regulations and to all other applicable laws and regulations, including, without limitation, the regulations of any governmental or quasi-governmental agency (the “Market Requirements”), but so that:

(a) in the event of any conflict between the terms and conditions of this Agreement and any Market Requirements, the Market Requirements shall prevail to the extent of the conflict;

(b) KB shall be entitled to take such action or steps or omit to take any action or steps as it, in its absolute discretion considers necessary to ensure compliance with the Market Requirements, including, without limitation, the taking of any action to avoid or mitigate any loss arising as a result of a change in the Market Requirements; and

(c) all of the Market Requirements and any such action or step so taken by KB shall be binding upon you as if expressly set out herein or authorised hereby.

2.7 **Capacity of KB.** In executing Transactions in Financial Instruments, KB deals solely on the basis that you act as its counterparty/client. In providing Services pursuant to this Agreement, KB will be acting in a dual capacity as principal/agent on your behalf, or (where you indicate to KB that you wish to deal with KB in a Financial Instruments at a price based on a pre-agreed formula (which for example, may include, but shall not be limited to, the “volume weighted average price” or “closing price”)) as principal.

2.8 **Fiduciary duty.** You acknowledge and agree that, insofar as is permissible under the Applicable Rules, KB (unless otherwise agreed with you in writing) does not owe you any fiduciary duty or any similar obligation under this Agreement.

3. **ORDERS**

3.1 **Orders given.** KB may rely on the orders of any person who is, or is believed in good faith to be, a person designated or authorised by you to give such orders. Unless agreed otherwise either generally or specifically, in Specific Product Terms or otherwise, KB may, subject to Applicable Regulations, accept and act without further enquiry upon any orders given, or believed in good faith to be given, by you or on your behalf whether such orders are in writing, by swift, telex, telephone, facsimile, computer-based systems or any other mode of communication. Orders to KB shall not be deemed to take effect until actually received by it.

3.2 **Refusal to act on orders.** KB may refuse to act on any of your orders if:

(a) it is in doubt as to the authenticity of those orders; or

(b) in acting on them it would be in breach of any Applicable Regulation, Market Requirement or rule or regulation of any relevant regulatory organisation to which it may belong or by whom it may be authorised in respect of the Services covered by this Agreement.

3.3 **Short Sales.** We will not execute or clear or settle a Short Sale for you unless you have first sought and obtained confirmation from us that we are able to lend the relevant Financial Instruments to you or that we are otherwise satisfied that the relevant Financial Instruments will be available in your account in due time for settlement in the normal course. You are solely responsible for ensuring that each Short Sale conforms to Applicable Regulations. We will provide no advice as to such matters, nor will be deemed to be under a duty to provide such advice. Without limiting the foregoing, each time you instruct us to execute or clear or settle a Short Sale, you are deemed to have represented and warranted to us that the Short Sale conforms to Applicable Regulations.

3.4 **Covenants.** You covenant to us that:

(a) you will not send orders or otherwise take any action that could create a false impression of the demand or value for a Financial Instrument, or send orders which you have reason to believe are in breach of Applicable Regulations. You shall observe the standard of behaviour reasonably expected of persons in your position and not take any step which would cause us to fail to observe the standard of behavior reasonably expected of persons in our position; and

(b) upon demand, you will provide us with such information as we may reasonably require to evidence the matters referred to in Clause 6 or comply with any Applicable Regulations.
4. CONFIRMATION AND SETTLEMENT

4.1 Contract Note. KB shall, subject to Applicable Regulations, send or arrange to be sent to you in respect of each Transaction effected for you or on your behalf a contract note, confirmation or notification (the “Contract Note”) recording details of the Transaction, except where it is under the terms of any Transaction your obligation to deliver the Contract Note or unless we agreed otherwise. Accounts shall be due for settlement and/or delivery on the date shown on such Contract Note. It is your responsibility to ensure that money due to KB is paid and/or that documents are delivered to KB in good order by the due date for settlement and provided that this is the case, payment for your sales shall be made by KB on the due date for settlement. Where applicable, the Contract Note will identify either the Connected Company or the relevant KB entity with whom the Transaction has been effected and all customers/clients are required to settle directly with the relevant KB entity or Connected Company appropriately advised.

4.2 Transaction dispute. Any question, matter or dispute in relation to a Transaction in Financial Instruments must be raised by you orally or in writing forthwith upon receipt by you of the Contract Note in respect of that Transaction, failing which such Contract Note shall be conclusive and binding on you.

5. FEES AND CHARGES

5.1 Charges. Unless otherwise agreed, you shall pay to KB, on demand such Charges and other amounts payable for its services as may from time to time be notified to you in writing. Unless we indicated otherwise in writing, all Charges are net of VAT. VAT will be applied in compliance with applicable tax legislation.

5.2 Local Charges. Local charges levied on you in respect of a Transaction represent KB’s charge and may not necessarily equate to charges paid by KB to local brokers or other intermediaries.

5.3 Taxes. Without affecting your obligations under Section 5.2, you shall pay to KB on demand all taxes which may be payable as a result of or in connection with a transaction in Financial Instruments or action or steps taken by KB or any other person on your behalf under this Agreement (other than taxes of KB in respect of its profits or gains). You are obliged to provide us with a written confirmation of your tax domicile issued by a relevant tax authority before the first Transaction is commenced and then, by the end of every January of a calendar year.

5.4 Deduction and withholding. If you make any payment under this Agreement which is subject to any deduction or withholding whatsoever, you shall pay to KB such additional amount as is necessary to ensure that the amount actually received by KB will equal to the full amount KB would have received had no such deduction or withholding been made.

5.5 Interest. We will charge you interest on any amounts due from you to us which are not paid when due, at such rate as is reasonably determined by us as representing the cost of funding such overdue amount. Interest will accrue on a daily basis.

6. YOUR REPRESENTATIONS AND WARRANTIES

6.1 Representations and warranties. Each party to this Agreement represents and warrants to the other party on the date this Agreement comes into effect and as of the date of each Transaction that:

(a) it has all necessary authority, powers, consents, licences and authorisations and has taken all necessary action to enable it lawfully to enter into and perform this Agreement and such Transaction and to grant the security interests and powers referred to in this Agreement;

(b) the persons entering into this Agreement and each Transaction on its behalf have been duly authorized to do so;

(c) this Agreement, each Transaction and the obligations created under them both are binding upon it and enforceable against it in accordance with their terms and do not and will not violate the terms of any regulation, order, charge or agreement by which it is bound;
(d) no event or circumstance described in Section 7.1 has occurred and is continuing with respect to it;

(e) it acts (subject to Applicable Regulations and except as otherwise set out in this Agreement or Specific Product Terms) as principal and sole beneficial owner (but not as trustee) in entering into this Agreement and each Transaction;

(f) any information which it provides or has provided to the other party in respect of its financial position, domicile or other matters is accurate, comprehensive and not misleading in any material respect;

(g) with respect to Financial Instruments to which it purports to have title, (i) it is, or is acting within the scope of its authority on behalf of, the absolute beneficial owner of such Financial Instruments, and (ii) it will not assert and, so far as it is able, will procure that no person for whom it holds Financial Instruments will assert any interest that it or that person may have in the Financial Instruments in any way which will prevent a transfer of title of that Financial Instrument;

(h) is and will be: (i) knowledgeable of and experienced in the risks of entering into the Transactions in which it engages; (ii) capable of evaluating the merits and risks of such Transactions; (iii) able to bear the economic risks of such Transactions; and (iv) responsible for monitoring compliance with its investment objectives;

(i) the information it has provided (or will in the future provide) to the other party regarding its financial condition, key personnel and management, regulatory status and business intentions is complete, accurate and not misleading in any material respect; and

(j) any financial statements it has provided to the other party have been: (a) prepared in accordance with generally accepted accounting principles and its constituting documents (if applicable); or (b) audited without reservation by an independent and reputable firm of public accountants.

7. DEFAULT REMEDIES

7.1 Default Remedies. If any party to this Agreement (the “Defaulting Party”):

(a) fails to make any payment due to the other party (the “Non-defaulting Party”) or to deliver any Financial Instruments due to the Non-defaulting Party (or to agents used by the Non-defaulting Party);

(b) fails to perform any other obligation owed to the Non-defaulting Party if such failure is not remedied within 30 days after notice of such failure is given to the Defaulting Party;

(c) commences a voluntary case or other procedure seeking or proposing liquidation, reorganisation, moratorium, or other similar relief with respect to it or to its debts under any bankruptcy, insolvency, regulatory, or similar law or seeking the appointment of a trustee, receiver, liquidator, conservator, administrator, custodian, examiner or other similar official (each a “Custodian”) over it or any substantial part of its assets, or take any corporate action to authorise any of the foregoing; or

(d) or any Credit Support Provider of the Defaulting Party (or any Custodian acting on behalf of either the Defaulting Party or a Credit Support Provider) disaffirms, disclaims or repudiates any obligation under this Agreement or any guarantee, hypothecation agreement, margin or security agreement or document, or any other document containing an obligation of a third party (“Credit Support Provider”), or of the Defaulting Party, in favour of the Non-defaulting Party supporting any of the Defaulting Party’s obligations under this Agreement (each a “Credit Support Document”);

or if:

(e) (i) an involuntary case or other procedure is commenced against the Defaulting Party seeking or proposing a judgment of liquidation, reorganisation, or moratorium, or other similar relief with respect to it or its debts under any bankruptcy, insolvency, regulatory, or similar law or seeking the appointment of a Custodian over its or any substantial part of its assets and (ii) the relevant case or procedure (i) results in any such judgment or appointment, or (ii) is not dismissed, discharged,
stayed or restrained in each case within 30 days of the institution or presentation thereof;

(f) any representation or warranty made or given or deemed made or given by the Defaulting Party under this Agreement, any other agreement between it and the Non-defaulting Party or any Credit Support Document proves to have been false or misleading in any material respect as at the time it was made or given or deemed made or given; or

(g) an event of circumstance occur which may become (with the passage of time, the giving of notice, the making of any determination or any combination of the above) any of the events or circumstances described in subparagraphs (a) through (f) above;

the Non-defaulting Party shall be entitled, in its absolute discretion, by not more than 20 days notice, and without prejudice to other rights the Non-defaulting Party has under this Agreement or by operation of law, to take any or all of the following actions:

(i) to treat any or all outstanding Transactions as having been cancelled or terminated;

(ii) instead of returning to the Defaulting Party investments equivalent to those credited to the Defaulting Party’s account, to pay to the Defaulting Party the fair market value of such investments at the time the Non-defaulting Party exercises such right;

(iii) to sell any or all of the investments or other property which the Non-defaulting Party is holding or entitled to receive on behalf of the Defaulting Party and to apply the proceeds in or towards satisfaction of any obligation or liability the Defaulting Party may have to the Non-defaulting Party or its associated companies (including any contingent or prospective liability);

(iv) to set off any obligation the Non-defaulting Party owes to the Defaulting Party, and/or to apply any cash the Non-defaulting Party holds for the Defaulting Party’s account, against any obligation or liability the Defaulting Party may have to the Non-defaulting Party (including any contingent or prospective liability); and/or

(v) to close out, replace or reverse any Transaction, buy, sell, borrow or lend or enter into any other Transaction or take, or refrain from taking, such other action at such time or times and in such manner as, at its sole discretion, the Non-defaulting Party considers necessary or appropriate to cover, reduce or eliminate loss or liability of the Non-defaulting Party or its associated companies under or in respect of any contracts, positions or commitments.

8. TERMINATION

8.1 Termination without default. Unless required by Applicable Regulations and without prejudice to the rights under Clause 7, this Agreement may be terminated by either party giving written notice to the other party, such termination to be effective, unless otherwise specified in the notice, on receipt by the other party of such notice, subject to outstanding Transactions being settled and any Charges or any other fees, expenses or amounts whatsoever accruing to KB (including any additional expenses incurred in connection with such termination) being paid, and provided that such termination shall not affect:

(a) any warranties or indemnities made by any party under this Agreement, each of which shall survive such termination; and

(b) any other legal rights or obligations which have arisen prior to or upon termination.

8.2 Amounts due and payable. Upon terminating this Agreement, all amounts payable by you to KB will become immediately due and payable including (but without limitation):

(a) Charges and any other fees, expenses or amounts whatsoever accruing to KB (including any additional expenses incurred in connection with such termination); and

(b) any losses and expenses realised in closing out any transactions or settling or concluding outstanding obligations incurred by KB on your behalf.
8.3 **Existing rights.** Termination shall not affect the outstanding rights and obligations (in particular Clauses 9 through 12, Clause 15 and Clause 16) and Transactions which shall continue to be governed by this Agreement and the particular clauses agreed between KB and you in relation to such Transactions until all obligations have been fully performed.

9. **NETTING**

9.1 **Notice of termination.** At any time following the occurrence of any event described in Section 7.1 with respect to you, we may, by notice to you, specify a day (the “Liquidation Date”) for the termination and liquidation of Transactions in accordance with the provisions of Section 9.2 below.

9.2 **Calculation of Liquidation Amount.** Upon the occurrence of the Liquidation Date:

(a) neither of us shall be obliged to make any further payments or deliveries under any Netting Transaction which would, but for this clause, have fallen due for performance on or after the Liquidation Date and such obligations shall be satisfied by settlement (whether by payment, set-off or otherwise) of the Liquidation Amount;

(b) we shall (on, or as soon as reasonably practicable after, the Liquidation Date) determine (discounting if appropriate), in respect of each Netting Transaction referred to in paragraph (a) of this Section 9.2, its total cost, loss, or, as the case may be, gain, in each case expressed in the currency specified by us as such in writing or, failing any such specification, the currency of such underlying Netting Transaction (the “Base Currency”) (and, if appropriate, including any loss of bargain, cost of funding or, without duplication, cost, loss, or, as the case may be, gain as a result of termination, liquidation, obtaining, performing or re-establishing of any hedge or related trading position) as a result of the termination, pursuant to this Agreement, of each payment or delivery which would otherwise have been required to be made under such Netting Transaction (assuming satisfaction of each applicable condition precedent and having due regard, if appropriate, to such market quotations published on, or official settlement prices set by the relevant exchange/market as may be available on, or immediately preceding, the date of calculation), and

(c) we shall treat each cost or loss to us, determined as above, as a positive amount and each gain by us, so determined, as a negative amount and aggregate all of such amounts to produce a single, net positive or negative amount, denominated in the Base Currency (the “Liquidation Amount”).

9.3 **Payer.** If the Liquidation Amount determined pursuant to Section 9.2 above is a positive amount, you shall pay it to us and if it is a negative amount, we shall pay it to you. We shall notify you of the Liquidation Amount, and by whom it is payable, immediately after the calculation of such amount.

9.4 **Other transactions.** Where termination and liquidation occurs in accordance with Section 9.2 above, we shall also be entitled, at our discretion, to terminate and liquidate, in accordance with the provisions of Section 9.2 above, any other Transactions entered into between us which are then outstanding.

9.5 **Payment.** The Liquidation Amount shall be paid in the Base Currency by the close of business on the Business Day following the completion of the termination and liquidation under Section 9.2 above (converted as required by applicable law into any other currency, any costs of such conversion to be borne by you, and (if applicable) deducted from any payment to you). Any Liquidation Amount not paid on the due date shall be treated as an unpaid amount and bear interest, at the rate as reasonably determined by us to be the cost of funding such overdue amount. Interest will accrue on a daily basis and will be due and payable by the party obliged to pay the Liquidation Amount as a separate debt.

9.6 **Base Currency.** For the purposes of any calculation hereunder, we may convert amounts denominated in any other currency into the Base Currency at such rate prevailing at the time of the calculation as we shall reasonably select.

9.7 **Deliveries.** Unless a Liquidation Date has occurred or has been effectively set, we shall not be obliged to make any payment or delivery scheduled to made by us under a Transaction for as long as any event described in Section 7.1 has occurred and is continuing with respect to you.

9.8 **Additional rights.** Our rights under this Clause shall be in addition to, and not in limitation or exclusion of, any other rights which we may have (whether by agreement, operation of law or otherwise).
9.9 **Application of netting to Netting Transactions.** This Clause applies to each Netting Transaction entered into or outstanding between us on or after the date this Agreement takes effect.

9.10 **Single agreement.** This Agreement, the particular terms applicable to each Netting Transaction, and all the amendments to any of them shall together constitute a single agreement between us. We both acknowledge that all Netting Transactions entered into on or after the date this Agreement takes effect are entered into in reliance upon the fact that this Agreement and all such terms constitute a single agreement between us.

9.11 **Other agreements.** Subject to Section 9.4 above, the provisions of this Clause shall not apply to any transaction which is subject to liquidation and termination under another agreement. However, any amount resulting from a liquidation and termination under another agreement, may be set-off against the Liquidation Amount.

9.12 **Closing out.** Unless otherwise agreed in writing between us, or the Market Requirements provide otherwise, if we enter into any Transaction with you in order to close out any existing Transaction between us then our respective obligations under both such Transactions shall automatically and immediately be terminated upon entering into that second Transaction, except for any settlement payment due from one of us to the other in respect of such close-out.

10. **YOUR LIABILITIES**

10.1 **Accounts debit.** KB may purchase or arrange for the purchase of Financial Instruments to cover any liability of yours to deliver Financial Instruments to KB (or any Connected Company) and may debit any of your accounts with any loss KB or any Connected Company suffers thereby.

10.2 **Interest.** You shall pay on demand interest to KB on any debit balance on any account of yours and on any other amounts due or owing to KB from the date when the same are due until full settlement, at such rate as KB shall determine from time to time.

10.3 **Amounts payable on demand.** Any indebtedness or liability incurred by you to KB shall, in the absence of express written agreement by KB to the contrary, be due and payable on demand.

10.4 **Indemnity.** You shall pay to us such amounts as we may from time to time require in or towards satisfaction of any debit balance on any of your accounts with us and, on a full indemnity basis, any losses, liabilities, costs or expenses (including legal fees), taxes, impost and levies which we may incur or be subjected to with respect to any of your accounts or any Transaction or any matching Transaction on an exchange/market or with an intermediate broker or as a result of any misrepresentation by you or any violation by you of your obligations under this Agreement (including any Transaction) or by the enforcement of our rights, in each case unless, and then only to the extent that, such cost, expense, damage, loss or liability is caused by the proven gross negligence or willful default of KB in the provision of such Transactions.

11. **KB’S LIABILITIES**

11.1 **Liability.** As Financial Instruments markets are subject to unforeseen fluctuations, no particular results can be guaranteed. Accordingly, KB and Connected Companies will not be liable for errors of judgment made or advice given in good faith or for acts or omissions in the course of its services under this Agreement. KB and Connected Companies will only be liable for errors, acts or omissions or non-performance arising from their respective gross negligence or willful default.

11.2 **General exclusion.** Neither we nor our directors, officers, employees, or agents shall be liable for any losses, damages, costs or expenses, whether
arising out of negligence, breach of contract, misrepresentation or otherwise, incurred or suffered by you under this Agreement (including any Transaction or where we have declined to enter into a proposed Transaction) unless such loss is a reasonably foreseeable consequence or arises directly from our or their respective gross negligence, willful default or fraud. In no circumstance shall we have liability for losses suffered by you or any third party for any special or consequential damage, loss of profits, loss of goodwill or loss of business opportunity arising under or in connection with this Agreement, whether arising out of negligence, breach of contract, misrepresentation or otherwise.

11.3 Duty to disclose. Save to the extent required by Applicable Regulations, including in so far as Applicable Regulations, neither KB nor any Connected Company owes any duty to disclose to you, or to use for your benefit, any fact, matter, information or thing which comes to its notice, or the notice of any Connected Company in the course of rendering similar services to others or otherwise.

12. CONFIDENTIALITY AND DATA PROTECTION

12.1 Confidential Information.

(a) Each of the parties to this Agreement will at all times keep confidential any Confidential Information it may acquire in connection with this Agreement except as otherwise permitted by this Agreement.

(b) The obligations in this Section 12.1 shall not apply to any Confidential Information (other than Personal Data or Special Categories of Data) lawfully in a party's possession otherwise than under or as a result of this Agreement or coming into the public domain otherwise than by breach by any party of its obligations contained in this Agreement.

12.2 Processing of Confidential Information.

(a) Notwithstanding the provisions of Section 12.1, KB and any Connected Company may use, disclose or otherwise process Confidential Information for the following purposes (the “Purposes”): (i) in connection with the provision of goods or services to you (for example, administration and operation of your account, account/product underwriting, research and statistical analysis); (ii) in the operation of KB’s or its Connected Companies’ businesses including, without limitation, compliance with legal or regulatory obligations, transaction and information management processes and other legitimate business purposes (for example; the prevention of money laundering, financing of terrorism, fraud or other crime); (iii) as part of the disposal or reorganisation or the granting of security interests or encumbrances over the whole or any part of the business or assets of KB or any Connected Company, or the transfer or securitisation of any rights or obligations and (iv) in accordance with this Section 12.2 and Section 12.4.

(b) Confidential Information may be disclosed by us to any Connected Company and for the Purposes also to any third parties acting on behalf of KB or Connected Companies in jurisdictions inside or outside the European Economic Area where there may be less stringent data protection laws. Wherever it is processed, Confidential Information will be protected by codes of secrecy and security with which KB, Connected Companies, third parties and their respective employees are required to comply.

(c) KB, any Connected Company or relevant third party may disclose Confidential Information if required or requested to do so by a relevant regulatory authority or pursuant to any legal or regulatory process in any territory.

12.3 Your consent. You undertake, represent and warrant that you have taken and will continue to take any steps needed (including, without limitation, notifying any relevant individuals and/or obtaining all relevant consents), to facilitate processing of Confidential Information for the Purposes. This Agreement does not in any way restrict other rights KB or any Connected Companies may have now or in the future to otherwise process Confidential Information relating to you or relevant individuals under applicable law and under the terms of any other agreement with you.
12.4 **Product information.** Where permitted to do so, KB may from time to time use contact details that you have given us to provide you or your employees or those of any of your affiliates and subsidiaries with information about new products, services and promotions available from KB and Connected Companies and approved third parties by various means (including telephone, electronic mail, mobile messaging or other electronic communication). If you or your employees or those of any of your affiliates or subsidiaries do not want to receive such information, they should notify KB via the usual contact.

12.5 **Individuals’ right.** Under data protection law, individuals may have the right to request access to Personal Data relating to them and to require Personal Data to be corrected if inaccurate. Any individuals wishing to exercise such rights should notify KB via the normal contact.

12.6 **Transactions reporting.** You agree and acknowledge that KB has regulatory obligations in respect of any pre-trade or post-trade information relating to the execution of any Transactions and KB may use this information for its own commercial purposes.

### 13. ASSIGNMENT OF RIGHTS AND OBLIGATIONS

13.1 **Successors and assignees.** The obligations under this Agreement bind, and the rights will be enforceable by, the parties to this Agreement and their respective successors, permitted assignees and personal representatives.

13.2 **Assignment.** No party shall assign, declare a trust over or otherwise transfer all or any part of its rights or obligations under this Agreement or any Transaction without a prior written consent of the other party. This Agreement shall, however, extend to and be binding upon permitted successors and assignees of each party as they are constituted from time to time and any such assignee or transferee shall be entitled to the full benefit of this Agreement as if it were originally a party in respect of the rights or obligations assigned or transferred to it.

13.3 **Further documentation.** To the extent required by, or consequential to, any assignment or transfer pursuant to Section 13.2, each party agrees to enter into further documentation and/or particular terms as any transferee or assignee may reasonably require solely in order to make or facilitate the transfer or assignment envisaged in Section 13.2 above.

### 14. COMMUNICATIONS

14.1 **Address.** You may communicate with KB at the address set out in the covering letter to this Agreement by post, telephone, telex, telefax, electronic mail or in person, unless you are obliged to communicate in writing under this Agreement (in which case you may communicate with KB by letter delivered by post, telefax or by personal delivery to that address).

14.2 **Delivery.** In proving service or delivery of a relevant communication, it shall be sufficient for KB to prove that it was correctly addressed and was posted or, where it was delivered otherwise than by post, that it was delivered to the correct address or, where it was sent by fax or telex or other means of telecommunication, that it was transmitted to the correct number or electronic mail address as last notified to KB.

### 15. FORCE MAJEURE

15.1 **Force Majeure Events.** No party to this Agreement shall be in breach of this Agreement if there is, and shall not be liable or have responsibility of any kind for, any loss or damage incurred by the other party as a result of any total or partial failure, interruption or delay in performance of its duties and obligations occasioned by any act of nature, fire, act of government, state, governmental or supranational body or authority or any investment exchange and/or clearing house, war, civil commotion, terrorism, failure of any computer dealing system, interruptions of power supplies, labour disputes of whatever nature or any other reason (whether or not similar in kind to any of the above) beyond control of the respective party (the “**Force Majeure Events**”).
15.2 Right to terminate. Should a Force Majeure Event described in Section 15.1 above occur, the party whose performance is not affected by that Force Majeure Event shall have the right to terminate and close out any Transaction affected by that Force Majeure Event and entered under this Agreement.

16. MISCELLANEOUS

16.1 Telephone recording and monitoring of communications. In some circumstances, communications (including electronic mail, voicemail, short message service, telephone calls and website usage) as well as paper correspondence such as envelopes or packages may be monitored, recorded or inspected (as appropriate) using monitoring devices or other technical or physical means. Such monitoring may take place where necessary insofar as required or allowed by and for purposes permitted by law from time to time, including, without limitation, to record evidence of business transactions and so as to ensure compliance with KB’s policies and procedures. Subject to applicable laws, all telephone conversations may be recorded by or for KB. In accordance with Clause 3, KB may act on telephone orders before receipt of any written confirmations and its records of telephone conversations shall be conclusive evidence of such orders. Such recordings are and shall remain KB’s sole property.

16.2 Illegality. If any provision or term of this Agreement or any part thereof shall become or be declared illegal, invalid or unenforceable for any reason whatsoever, such term, provision or part shall be divisible from this Agreement and shall be deemed to be deleted from this Agreement. If grounds for illegality, invalidity or unenforceability relate only to a part of a legal act made pursuant to this Agreement, only this part shall be invalid, provided that it does not follow from the nature of the legal act, or its content, or the circumstances under which it took place, that such part may not be separated from the rest of the contents. Such invalid part of a legal act shall be replaced (or the omission shall be rectified) by incorporation into this Agreement of a provision which (i) best achieves the commercial effect that the parties hereto intended thereby, and (ii) shall be legal, valid and enforceable under the applicable law.

16.3 Joint and several liability. If two or more persons are joint party to this Agreement as clients of KB, the liability and obligations of such persons in relation to any transaction in Financial Instruments executed with or on their behalf by KB shall be joint and several. Any communication that shall be given to one of such persons shall be deemed to have been given to all such persons. If an event described in Section 7.1 shall be deemed to have occurred in respect of any one of such persons, KB may exercise its rights as set out in Section 7.1 without being required to give notice of such event to any of the other person(s). KB shall be entitled to accept orders and give receipts and for all purposes deal with any one of such persons as agent to and for all of them. References in this Agreement to you shall be deemed to be to any one of or all such persons as the context may require.

16.4 Amendments. Except as required by Applicable Regulation, this Agreement may be varied by us giving you written notice, prior notice wherever it is practicable to do so, of the proposed variations. Where a variation is required to this Agreement as a result of a change in Applicable Regulations, such variation shall take effect in accordance with the written notice provided by us pursuant to this Section 16.4. In the case of any other variation proposed by us, such variation shall take effect upon receipt by us of your written agreement to such variation.

16.5 Screening. In order for KB to meet its legal and regulatory obligations, any request of a public or regulatory authority or pursuant to internal policies applicable to KB in relation to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons (collectively the “Relevant Requirements”), KB and Connected Companies may take any action necessary to comply with its obligations under the Relevant Requirements, including without limitation, intercepting and/or investigating transactions on your accounts with KB (particularly, without limitation, those involving the international transfer of funds) including the source of or intended recipient of funds paid into or out of your accounts. Exceptionally, this may delay or prevent the carrying out of your orders, the settlement of transactions over your accounts or KB’s performance of its obligations under this Agreement, but, where reasonably practicable (and consistent with Applicable Regulations), KB
will advise you of the reasons for, and likely length of, any delay. Neither KB nor any Connected Company shall have any liability (whether direct or consequential and including, without limitation, loss of profit or interest) caused in whole or in part by any actions which are taken by KB or any Connected Companies to comply with the Relevant Requirements (including, without limitation, those actions referred to above).

16.6 Authority of KB. You hereby confer on KB all powers, authorities and discretions on your behalf which are necessary for, incidental to, or customary in the provision of, the services to be provided hereunder including the power to appoint sub-agents, and you hereby agree to ratify and confirm everything what KB shall lawfully do in the exercise of such powers, authorities or discretions. If required to do so by KB, you shall execute in favour of KB a power of attorney in such form and conferring such powers as KB may think fit to enable it to exercise its rights and powers hereunder. KB shall be entitled to instruct any brokers and other agents (who may be Connected Companies) on your behalf as it may decide and confer on them all such authorities conferred on KB hereunder (including the authority to appoint other brokers and agents likewise).

16.7 Rights and remedies. The rights, remedies and authorities conferred upon KB by this Agreement are separate, independent and cumulative and not exclusive of any other rights, remedies and authorities to which KB is entitled, whether by operation of law or otherwise.

16.8 No waiver of rights. A failure or delay on part of KB in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver by KB, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise by KB of any other right, power or privilege.

16.9 Set Off. Without prejudice to any other rights to which we may be entitled, we may at any time and without notice to you set off any amount (whether actual or contingent, present or future) owed by you to us against any amount (whether actual or contingent, present or future) owed by us to you. For these purposes, we may ascribe commercially reasonable value to any amount which is contingent or which for any other reason is unascertained.

16.10 Governing law, jurisdiction. This Agreement, its enforcement, and all disputes arising in relation to this Agreement shall be exclusively governed by, and construed in accordance with, the laws of the Czech Republic. Any dispute arising out of or in connection with this Agreement shall be finally settled by the relevant Czech courts.

16.11 Waiver. You irrevocably waive to the fullest extent permitted by applicable law, with respect to yourself and your revenue and assets (irrespective of their use or intended use) all immunity on the grounds of sovereignty or other similar grounds from (i) suit; (ii) jurisdiction of any courts; (iii) relief by way of injunction, order for specific performance or for recovery of property; (iv) attachment of assets (whether before or after judgment); and (v) execution or enforcement of any judgment to which you or your revenues or assets might otherwise be entitled in any legal proceedings in the courts of any jurisdiction (the “Proceedings”) and irrevocably agree that you will not claim any immunity in any Proceedings. You consent generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

16.12 Language for communication. You should communicate with us in the Czech or the English language. All our standard documents may be obtained in either Czech or English. If there is any conflict between different language versions of the same document, the English version will prevail.

16.13 Entire Agreement. Except as otherwise stated in this Agreement, this Agreement supersedes all arrangements previously in force between you and KB concerning the business covered by this Agreement, and shall take effect from the later of receipt by us of your written agreement to accept the terms of this Agreement or upon the date following receipt by you of the written notice provided by us pursuant to Section 4.1 that you initiate a Transaction with us, whichever occurs first.
ANNEX 1

CLIENT CATEGORISATION

1. Your status. We have notified you of your status as either an Eligible Counterparty or a Professional Client in accordance with the requirements of Applicable Regulations. Subject to your right to request a different status as referred to below, we will treat you as such for all relevant purposes. Even where you are categorised as an Eligible Counterparty you will be treated as a Professional Client where KB is required by the Applicable Regulations to treat you as a Professional Client. The classes of client are set out in the Applicable Regulations. Please refer to ANNEX 2 for further details of the status of a Professional Client and an Eligible Counterparty and the associated levels of client protection.

2. Eligible Counterparty. If you are categorised as an Eligible Counterparty you will not have the protection afforded by certain rules in the Applicable Regulations, namely those under Articles 19 (conduct of business obligations), 21 (best execution) and 22(1) (client order handling) of MiFID (as implemented in other Applicable Regulations), in respect of those Transactions for which you are categorised as an Eligible Counterparty or in respect of any Service directly related to such Transactions.

3. Different categorisation – Professional Client. If you are categorised as a Professional Client you have the right to request a different categorisation under the Applicable Regulations:
   (a) You may have the right to request categorisation as an Eligible Counterparty. This will depend on the legislation transposing MiFID and the MiFID Implementing Measures in the State where you are established. If you are entitled to request such categorisation and KB agrees to it, you will lose the protection afforded by certain rules in the Applicable Regulations, in relation to those services for which you are treated as an Eligible Counterparty, that you would otherwise be entitled to as a Professional Client. Those protections are described in Clause 2 above and in ANNEX 2.
   (b) If you request categorisation as a Retail Client and KB agrees to such categorisation, you must enter into a separate agreement with KB, in which case additional protections afforded by certain of the Applicable Regulations will apply to you.

4. Different categorisation – Eligible Counterparty. If you are categorised as an Eligible Counterparty you have the right to request categorisation as a Professional Client or a Retail Client. If you request categorisation as a Retail Client and KB agrees to such categorisation, you must enter into a separate agreement with KB, in which case additional protections afforded by certain of the Applicable Regulations will apply to you.

5. Notification duty. You are responsible for notifying KB of any material change that could affect your client categorisation pursuant to ANNEX 1.

ANNEX 2

TYPES OF CLIENT CLASSIFICATION AND THE DIFFERENCES IN PROTECTION PROVIDED

1. Protection given to the clients based upon their classification is set out in the Applicable Regulations.

2. Where we treat you as a Professional Client, you will be entitled to fewer protections under Applicable Regulations than you would be entitled to as a Retail Client. In particular:
   (a) you will be given fewer information disclosures with regard to KB, its services and any investments (for example on costs, commissions, fees and charges);
   (b) where we assess whether a product or service is appropriate for you, we can assume that you have the necessary level knowledge and experience to understand the risks involved in it;
   (c) if we are ever required to assess the suitability of a personal recommendation made to you, we can assume that you have the necessary experience and knowledge to understand the risks involved, and can sometimes assume that you are able financially to bear any investment risks consistent with your investment objectives;
(d) when providing you with Best Execution we are not required to prioritise the overall costs of the transaction as being the most important factor in achieving Best Execution for you;

(e) when we execute a transaction in Financial Instruments on your behalf, you may receive less detailed information relating to the execution of the order;

(f) we do not need to inform you of material difficulties relevant to the proper carrying out of your order(s) promptly;

(g) should we provide you with periodic statements, we are not required to provide them as frequently as for retail clients; and

(h) where we are holding your client money, we are not required to notify you of whether interest is payable on it.

3. Where we treat you as an Eligible Counterparty, you will be entitled to fewer protections under Applicable Regulations than you would be entitled to as a Professional Client. In particular, and in addition to the above:

(a) we are not required to provide you with Best Execution in executing orders;

(b) we are not required to disclose to you information regarding any fees or commissions that we pay or receive;

(c) we are not required to assess under Clause 1 and 2 of ANNEX 5 the appropriateness of a product or service that we provide to you but can assume that you have the expertise to choose the most appropriate product or service for yourself;

(d) we are not required to provide you with information about ourselves, our services and the arrangements through which we will be remunerated;

(e) we are not required to provide you with risk disclosures on the products or services that you select from us;

(f) we are not required to provide reports to you on the execution of your orders or the management of your investments; and

(g) we are not required, when executing your orders, to apply our procedures and arrangements for the execution of orders and aggregation and allocation of trades.

ANNEX 3
RULES OF CONDUCT

1. Definitions. For purposes of this ANNEX 3:

(a) “Regulated Market” means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID.

(b) “Multilateral Trading Facility” or “MTF” means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with the non-discretionary rules – in a way that results in a contract in accordance with the provisions of Title II of MiFID.

2. Best Execution. Where you are categorised as an Eligible Counterparty, we are not required to provide you with Best Execution when executing orders on your behalf. Where you are categorised as a Professional Client, the following provisions in relation to Best Execution will apply to you:

(a) the only duties that KB owes to you in respect of Best Execution are those set out in the Applicable Regulations, and any other duties are expressly excluded;

(b) you acknowledge that in certain circumstances, which are set out in the Execution Policy, we will not be executing orders on your behalf and accordingly will not be subject to the obligation under the Financial Instruments to take all reasonable steps to obtain Best Execution;

(c) you will receive appropriate information on the Execution Policy which you should read carefully as we shall treat you as having consented to the Execution Policy by signing this Agreement;
(d) subject to KB receiving prior express consent from you (which you will give by signing this Agreement unless you indicate otherwise), KB may execute your orders outside a Regulated Market or Multilateral Trading Facility.

3. **Own assessment.** You acknowledge that, unless KB expressly agrees to provide you with Investment Advice or any other advice pursuant to Section 2.2(c), you are required to make your own assessment of any transaction that you are considering and should not rely on any information, proposal or other communication from KB as being Investment Advice or any other advice in relation to that transaction. However, this does not affect any obligation that KB has under the Applicable Regulations to assess whether a Service or a product is appropriate for you.

4. **Necessary experience.** When providing Services to you, KB will assume that you have the necessary experience and knowledge in order to understand the risks involved in relation to those particular Services or Transactions in Financial Instruments.

5. **Investment Advice.** Where KB expressly agrees to provide you with Investment Advice pursuant to Section 2.2(c):

   (a) you undertake to provide to KB all information regarding your investment objectives and, where you are a Professional Client on Request (as defined in Applicable Regulations), your financial situation, so as to enable KB to provide Investment Advice that is suitable for you. You represent and warrant that such information is complete and accurate in all material respects; and

   (b) KB is entitled to assume that:

      (i) in relation to the relevant transactions in Financial Instruments and Services where Investment Advice is being provided, you have the necessary level of experience and knowledge in order to understand the risks involved in the proposed transactions in Financial Instruments and Services; and

      (ii) where you are a per se Professional Client (as defined in Applicable Regulations), that you are able financially to bear any related investment risks consistent with your investment objectives in relation to the proposed transactions in Financial Instruments and Services.

6. **Your investment objectives.** We are obliged under Applicable Regulations to request information about your investment objectives in all situations where we provide Investment Advice to you. If you have specific or general investment objectives, please forward your written investment objectives to us, or let us know in writing if you would like to discuss your investment objectives with us. In the absence of any indication from you of such objectives, we will proceed on the basis that there are no specific or general investment objectives to which we should have regard when giving you advice or managing your portfolio. We shall not be held responsible for any loss suffered by you (including loss of profit) due to our Investment Advice being inconsistent with your investment objectives if you have not provided your investment objectives to us in writing, or in discussion. We shall assume that any written information we hold about your investment objectives is accurate and up to date and we will not be liable for any loss (including loss of profit) which may be suffered by you if such information changes or becomes inaccurate unless you have informed us of such changes.

7. **Execution only.** Other than in relation to Services where KB expressly agrees to provide you with Investment Advice pursuant to Section 2.2(c), we deal on an execution only basis and do not provide Investment Advice (as defined in Applicable Regulations) or advice on the merits of particular Transactions, or their taxation consequences. Unless we have expressly agreed otherwise in a written agreement under which we receive compensation specifically identified as consideration for acting in such capacity or providing such advice, (i) no advice furnished by us is designed or intended to form a primary basis for any of your decisions; (ii) no amounts paid by you to us shall be attributable to any advice provided by us; and (iii) you will not rely on us taking any action with respect to any account, position or Transaction, including advising you of any rights you may have or of the expiration of any periods for taking any action on any matter.
8. **Use of information.** Where you provide KB or any Connected Company with information relating to a customer order or proposed transaction, KB or the Connected Company may use that information to facilitate the execution of your Transaction or order and, if permitted under national law implementing Directive 2003/6/EC on insider dealing and market manipulation (market abuse), may take account of it in managing its market making and other client facilitation positions or otherwise limiting the risks to which it is exposed in the course of its market making and other client facilitation activities. Where that information relates to a proposed Transaction for which you have asked KB to quote terms, and in which KB would commit its capital, KB or any Connected Company may also, unless it specifically agrees otherwise with you in a particular case, make use of that information to enter into Transactions with a view to executing or facilitating the execution of the proposed transaction on terms that are competitive in the prevailing market conditions. The effect of these and other trading activities of KB may be to increase the market price of Financial Instruments you are buying or decrease the market price of Financial Instruments you are selling.

9. **Internet access.** You confirm that you have regular access to the Internet and consent to KB providing you with information by posting such information on KB’s website at the address KB may from time to time notify to you or by communicating it to you by post, telex, telefax, or electronic mail. Unless you notify us to the contrary, you consent for all relevant purposes under Applicable Regulations to receive information by electronic means (such as electronic mail) or by means of a website.

10. **Complaints.** If you have any complaints about the quality of the service provided to you under this Agreement, you should liaise with your usual business contact at KB.

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**ANNEX 4**

**AGGREGATION OF ORDERS, CLIENT LIMIT ORDERS**

1. **Aggregation of orders.** When executing orders on your behalf KB may aggregate those orders with the orders of other clients, KB or any Connected Company. By combining your orders with those of other clients KB must reasonably believe that this is in the overall best interests of its clients, may only do so when it is unlikely aggregation of orders will work overall to the disadvantage of any client whose order is to be aggregated. However, the effect of the aggregation may operate on some occasions to your disadvantage in relation to a particular order. Where KB aggregates your order with those of other clients and the aggregated order is only partially executed, the related trades will be allocated in accordance with our order allocation policy. Where we aggregate your order with transactions for our own account and the aggregated order is only partially executed, we will allocate the related trades to you in priority to our own orders.

2. **Client limit order.** We will make public any limit order you may place with us in respect of shares traded on a Regulated Market where that order cannot immediately be executed unless you give us an express order (orally, in writing or by agreed electronic format) not to do so either generally or when placing your order. However, we will not publish any limit order from you that we cannot immediately execute where the limit order is large in scale in comparison to normal market size.

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**ANNEX 5**

**APPROPRIATENESS, RISK WARNING**

1. **Appropriateness – non-complex instruments.** When we execute, or receive and transmit, orders from you on an execution-only basis in relation to non-complex instruments (which includes shares admitted to trading on a Regulated Market and bonds or securitised debt which do not embed a derivative), we are not required to make an assessment as to the appropriateness of the product or Service provided or offered. Please note, therefore, that you will not benefit from the protection of the relevant Applicable Regulations requiring us to assess the appropriateness of the product or Service for you.
2. **Appropriateness – complex instruments.** In the event that you are a Professional Client and we deal with you on an execution-only basis in relation to complex products, we are required to make an assessment as to whether the product or Service being provided or offered is appropriate for you. However, we are entitled to assume that, as a Professional Client, you have the necessary knowledge and experience to enable you to understand the risks involved in relation to the product or Service. If you do not consider that you do have the necessary knowledge and experience, you must make us aware of this prior to the provision of such product or Service and provide us with any available information as to the level of your knowledge and experience. It is your responsibility to inform us in writing of any information which might reasonably indicate that this assessment should be changed.

3. **Assessment of risk.** When you make a decision to deal in any product, or engage in a Service or Transaction, you should consider the risks inherent in such product, Service or Transaction, and in any strategies related thereto. Your assessment of risk should include a consideration of any of credit risk, market risk, liquidity risk, interest rate risk, foreign exchange risk, business, operational and insolvency risk, the risks of “over the counter” (as opposed to on exchange) trading, in terms of issues such as the clearing house “guarantee”, transparency of prices and ability to close out positions, contingent liability risk and regulatory and legal risk. You should also ensure that you have read any accompanying product documentation, for example terms sheets, offering memoranda or prospectuses, for any further relevant risk disclosures.

4. **Nature and risks of Financial Instruments.** A general description of the nature and risks of Financial Instruments is set out in ANNEX 6. If you are a Professional Client, we are entitled to assume that you have the necessary knowledge and experience to understand the risks involved in the products and Services which are offered to you. We accept no liability in relation to the above. If you are an Eligible Counterparty, the client protections in relation to the assessment of suitability and appropriateness of financial instruments or services do not apply to you.

5. **Independent advice.** General views expressed to you (whether orally or in writing) on economic climate, markets, investment strategies or investments are not to be viewed as Investment Advice. Any information which you may receive from us will be given in good faith, but we do not warrant that it is accurate or complete, including as to its tax consequences, and we do not accept any responsibility for any loss, liability or cost which you might suffer or incur in relying on such information, whether caused by our negligence or through any other cause. The preceding sections of this Agreement do not constitute Investment Advice, nor a recommendation to enter into any of the Services, effect any Transaction or invest in any Financial Instrument. Where you are unclear as to the meaning of any of the above disclosures or warnings, you are strongly recommended to seek independent legal or financial advice.

6. **Representation.** You represent and warrant to us on the date this Agreement comes into effect and as of the date of each Transaction that (i) you have full authority to appoint us to engage in each Service and provide Services to you under this Agreement; (ii) without prejudice to our own obligation to consider the suitability or appropriateness of Services we undertake for you and the Financial Instruments involved in such Services, you will determine the appropriateness for you of such Service and address any legal, tax or accounting considerations applicable to you; and (iii) each such Service will be conducted with your own money and assets (other than your use of money or assets we loan to you) and for your own account.

**ANNEX 6**

**ADDITIONAL RISK WARNINGS**

1. **Product and service risk disclosures, introduction.** This Annex is intended to give you information on and a warning of the risks associated with products and Services supplied by KB, so that you are reasonably able to understand the nature and risks of the Services and of the specific types of investment being offered and, consequently, to take investment decisions on an informed basis. You should note that it is not possible to disclose to you all the risks and other significant aspects of such products and services to you. Part B below sets out some of the risks associated with certain types of generic Financial Instruments and with transaction and service risks.
You should not deal in products unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should also be satisfied that the product or service is suitable for you in light of your circumstances and financial position and, where necessary, you should seek appropriate advice in advance of any investment decisions.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of any investment.

All financial products carry a certain degree of risk and even low risk investment strategies contain an element of uncertainty. The types of risk that might be of concern will depend on various matters, including how the instrument is created or drafted. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments or become involved in any financial products, you should be aware of the following points.

2. Derivatives transaction and service risks.

(a) General risks associated with the Financial Instruments are closely related to the purpose of a specific Transaction. The major risks are described below:

(i) Market Risk. The risk that the actual value of a Transaction will decrease due to moves in the exchange rates of the two currencies in question (the “Market Risk”). The risk has considerable impact chiefly on speculative trading, but may also affect securing trades, especially in case that an original assumption, which had been the basis for establishing the security, appears to be wrong. At worst, possible loss (the “Market Loss”) resulting from such risk may be higher than the nominal value of the Transaction;

(ii) Instrument Liquidity Risk. As the Transactions entered into by you and KB under this Agreement are mostly OTC trades (i.e., trades made outside regulated markets), it cannot be reasonably anticipated that you shall always be able to either close your position or terminate a Transaction prematurely (early) at the price you could expect with regard to latest available market quotations. At worst, no prices may be available at an OTC market for a limited period of time and, consequently, you shall not be able to conclude the required transaction during such period. Possible loss resulting from such risk (especially in case of unusual combinations of certain derivatives securities), may amount to tens of percent of the difference between an expected price derived from the latest available market quotations of relevant underlying instruments and the price offered by KB or another entity in the market at the time you shall request it;

(iii) Credit Risk. In most cases, KB shall be your counterparty to the Transaction. Though it is not likely that KB should fail to meet its obligations, it is not entirely out of the question. The total amount of the possible loss that may result from such business disruption shall eventually depend, first and foremost, on moves in market quotations related to the Financial Instrument, variations in liquidity of the Financial Instrument and ability of KB to settle its liabilities in accordance with terms of the Transaction, at least subsequently.

(b) The risks of Financial Instruments composed of other Financial Instruments (underlying Financial Instruments or assets) are adequately affected by risks associated with such Financial Instruments or assets.

(c) Further specific risk factor of options:

(i) The risk of the decrease in the actual value of an underlying asset manifests itself differently for a purchased option than for a sold option. In case of an option purchased by you, a maximum loss shall be limited to the paid premium and transaction costs.

(ii) The risk of the decrease in the actual value of an option is also significantly affected by price volatility of an underlying asset (namely, of a relevant forward), i.e., frequency and range of variation in its market value.

(d) Further specific risk factor of a foreign-exchange swap, option and forward:

The risk of the decrease in the actual value of these Financial Instruments can also be affected by changes in interest rates of different currencies contained in these Financial Instruments.
ANNEX 7
MATERIAL INTERESTS AND CONFLICTS OF INTEREST

1. Material Interests. You acknowledge that we and other Connected Companies are involved in a wide range of banking and investment banking activities including corporate finance and capital markets activities, securities issuing, securities distribution, research, sales, trading, clearing and settling, prime brokerage and any other investment business and any other financing and lending activities relating thereto. Accordingly, your attention is drawn to the fact that when we give you general advice or deal with you or at your order, we or a Connected Company or some other person connected with us may have an interest, relationship or arrangement that is material. You accept that we and Connected Companies may have interests which conflict with your interests and may owe duties which conflict with duties which would otherwise be owed to you, and consent to our acting in any manner which we consider appropriate in such cases. We are under a duty to identify and manage any such conflicts of interest.

2. Managing Conflicts. KB manages its conflicts of interest and has a Conflicts of Interest Policy in accordance with Applicable Regulations. We have put in place, and will maintain, effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage such conflicts of interest. You are also entitled to receive further details of our Conflicts of Interest Policy on request. Our aim is to manage sufficiently such conflicts of interest in such a way so as to avoid a material risk of damage to your interests. Where a conflict of interest arises in connection with such a recommendation, and KB is unable to manage that conflict sufficiently to prevent a risk of damage to your interests, KB will inform you about the general nature or sources of the conflict before undertaking the transaction in question on your behalf. Where this gives rise to a conflict of interest it will be managed in accordance with the Conflicts of Interests Policy.

3. Precluded Services. If you request a Service in circumstances described in Clause 2 of this ANNEX 7 in relation to any Financial Instruments, KB may inform you that it is for the time being precluded from providing that Service in relation to those Financial Instruments and shall not be obliged to disclose the reason why that is the case or any further information relating thereto.

4. Recommendation. Your attention is drawn to the fact that KB may recommend to you or effect a Transaction for you, in which it or any Connected Company, or a person with whom it has an association, or one of its other clients, may have an interest, relationship or arrangement that is material in relation to the transaction concerned. KB, or Connected Companies, or a person with whom any of them has an association, may be dealing as principal for KB on its own account, and could be matching your Transaction with that of another client. Please refer to the Conflicts of Interests Policy for further details of the circumstances in which a situation of this kind might arise. Where a conflict of interest arises in connection with such a recommendation, and KB is unable to manage that conflict sufficiently to prevent a risk of damage to your interests, KB will inform you about the general nature or sources of the conflict before undertaking the transaction in question on your behalf. Where this gives rise to a conflict of interest it will be managed in accordance with the Conflicts of Interests Policy.

5. Research. Without prejudice to the rest of this ANNEX 7, KB and/or its Connected Companies may from time to time produce research material for KB’s (and its Connected Companies) clients (the “Client Research”). Subject to (and insofar as permitted by) Market Requirements, KB may effect an own account transaction in the investment that is the subject of research or a related investment and the following terms apply in relation to all such research:

(a) KB shall be under no obligation to see that any advice or information given to you takes account of Client Research;
(b) KB will be under no obligation to you to see that any advice or information KB or any Connected Company gives shall be given either before or at the same time as such advice or information is made available to KB, any Connected Company or any other client;
(c) no research shall constitute an offer, or an invitation, by or on behalf of KB or any Connected Company to any person to buy or sell any Financial Instrument;
(d) in all cases, you should conduct your own investigation and analysis of any information contained in Client Research before taking or omitting to take any action either in relation to Financial Instruments or markets; and

(e) KB and any Connected Company may from time to time provide services for, or solicit or seek to obtain business from, any entity referred to in any Client Research.

6. Notification of benefits received. Unless required to do so in accordance with the Applicable Regulations (for example, where a potential conflict of interest must be notified to a client), neither KB nor any Connected Company is obliged to make any prior notification to you of any of the above, nor is KB nor any Connected Company under any duty to account to you for any profits, commission, remuneration or other benefits made or received by KB or any Connected Company, where permitted under the Applicable Regulations, as a result of such transaction or service. However, KB will disclose to you the essential terms of any arrangements relating to any such profits, commission, remuneration or other benefits that are received by KB or any Connected Company in relation to a Service that is provided to you. Further details of any such arrangements will be provided to you on request.

7. Other business. You shall not, in respect of any Transaction or matter to which the services provided by KB hereunder relate, be regarded as a client of any other business unit or division of KB, other than as set out herein, or any other Connected Company, unless you specifically request that business unit or division or Connected Company to act for you, and then only on such terms and conditions as may be separately agreed.

ANNEX 8
GUARANTEE FUND

1. KB participates in a guarantee system managed by the Securities Brokers Guarantee Fund (the “Fund”) in compliance with Sect 128, Art 9 of Act No. 256/2004 Coll., On Trading in Capital Market, as amended (the “Capital Market Trading Act”). The Fund is a legal person incorporated in a Commercial Register; however, it is not a state (government) fund and, hence, insurance regulations do not apply to it.

2. The Fund manages the guarantee system from which compensation is paid to customers of securities traders (brokers) that cannot meet their commitments with respect to their customers. The principles of compensation and categories of customers eligible for the compensation are set out in the Capital Markets Trading Act and legislation implementing the same.

3. For more detailed information on the Fund, please see the Capital Market Trading Act or contact your usual business contact at KB.