Business Terms and Conditions

Regulating the Provision of the Investment Services of Client Asset Management and Investment Advisory Generali Investments CEE, investiční společnost, a.s.

1. Introductory Provisions

1. Generali Investments CEE, investiční společnost, a.s., having its registered office at Na Pankráci 1720/123, Nusle, Prague 4, Postal Code 140 00, Company Identification Number (IČO): 43873766, registered in the Companies Register maintained by the Municipal Court in Prague, file number B 1031 (hereinafter referred to as the ***„Company"***) is a legal entity rendering the below specified investment services to legal and natural persons (hereinafter referred to as the ***"Client"*** or ***"Clients")*** within the scope specified in the Czech National Bank (hereinafter referred to as the ***"CNB")*** licence (the licence granted by the CNB to the Company is available at the CNB website). These business terms and conditions (hereinafter referred to as the ***"Business Terms and Conditions")*** have been issued by the Company in compliance with Section 1751(1) of Act No. 89/2012 Coll., Civil Code, as amended (hereinafter referred to as the ***"Civil Code"***), and the applicable laws and regulations of the Czech Republic. The Business Terms and Conditions set forth the rules regulating the provision of the below described investment service of Client asset management under the Investment Management Agreement entered into with the Client (hereinafter referred to as the ***"Investment Management Agreement"***), and investment advisory relating to the investment instruments under the Agreement on the Provision of Advisory Services (hereinafter referred to as the ***"Advisory Agreement"***). The Investment Management Agreement and the Advisory Agreement are hereinafter also referred to as ***"Agreements"*** or ***"Agreement".***
2. The Business Terms and Conditions form an integral part of the relevant Agreements; in case of any discrepancies between the individual provisions of the Agreements and the Business Terms and Conditions, the applicable provisions of the Agreement prevail, unless the Parties agree otherwise in any individual case.
3. Relations between the Client and the Company not regulated by the Agreements or herein will be governed by especially, without limitation, the applicable provisions of Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended (hereinafter referred to as the ***"AICIF"),*** Act No. 256/2004 Coll., on Conducting Business on the Capital Market, as amended (hereinafter referred to as the ***"ACBCM")*** including any and all implementing legislation and the Civil Code or, as the case may be, other laws and regulations taking effect during the term of the relevant Agreements.
4. In addition, the Company also acts in compliance with any and all final and conclusive decisions of the CNB, with rules and interpretations of the individual markets in Investment Instruments and of the operators thereof, as well as the rules and interpretations of the regulatory authorities applicable on the territory of other countries than the Czech Republic, whereon the Company performs under the Agreement, or, as the case may be, clearing houses, where the Company or its contractors execute trades, and also rules and interpretations of the entity authorised to maintain the statutory register of investment instruments (hereinafter referred to as the ***"Register"***).
5. Wherever the expression ***„Investment Instruments"*** is used herein, it means any and all Investment Instruments in terms of the applicable provisions of the ACBCM, provided the provision of the investment services related to these Investment Instruments does not exceed the scope of the licence granted to the Company by the CNB or, as the case may be, by another authority supervising the supply of the relevant investment service, and provided the nature of the issue allows for such interpretation.
6. A more detailed description (if any) of the method of supplying services to the Clients according to the individual investment services rendered by the Company and the Investment Instruments, not specified herein, will be regulated in the Agreements.
7. Information about the Company, basic information relating to the investment services provided by the Company, about investment services provided by the Company, about Investment Instruments which are to be the subject of the investment service, about potential risks which could be related to the requested investment service or Investment Instrument, and about the potential hedging against such risks, as well as information about the protection of the Client's assets, is provided in the "Information of the Company in Connection with the Provision of Investment Services" (hereinafter referred to as the ***"Information of the Company"***).
8. Information regarding the classification of clients into the individual client categories is provided in the "Information on Client Categories and Possibilities of Transfer between these Categories" (hereinafter referred to as the ***"Information on Client Categories"***).
9. Rules for effecting trades with Investment Instruments for the Client within the scope of the investment service of asset management are contained in the „Best Execution Rules and Order Processing Rules in Relation to Investment Instruments, Except Registered Securities of Investment Funds Managed by the Company" (hereinafter the ***"Order Execution Rules"***).
10. Information on admissible and inadmissible inducements and benefits, on rules which the Company observes in relation to inducements and benefits in connection with the provision of the investment service of investment advisory that is not provided independently, and a list of accepted and provided inducements and benefits is contained in the "Information on Accepted/Provided Inducements" (hereinafter ***„Information on Inducements"***).
11. Information of the Company, Information on Client Categories, Order Execution Rules and Information on Inducements do not form part of the Business Terms and Conditions and are submitted to the Client in print form before signing the Agreement. Their current and previous versions are published at the Company-'s website.

2. General Provisions

1. The Company is obliged to provide its investment services with due professional care, in particular in a qualified, honest and fair manner, and in accordance with the best interests of the Client and due operation of the market, in compliance with these Business Terms and Conditions, the Agreement and the applicable laws and regulations.
2. The Company is entitled to request the Client, depending on the type and extent of the investment services required by the Client, to provide the Company with information on the Client's expertise and experience in the area of investments, his or her financial situation including the Client's ability to bear losses and his or her investment objectives, including the Client's risk tolerance, in order to assess suitability and ensure acting in the best interest of the Client. The Company is obliged to keep the above mentioned information disclosed by the Client confidential, in compliance with the applicable provisions of the ACBCM.
3. If the Client is a professional client, as defined in the applicable laws and regulations (hereinafter ***"Professional Client"***), and makes a written request to the extent that the Client requests no explanations, advice or information related to the provision of investment services which the Company is obliged to provide to a Client who is not a Professional Client under the applicable laws and regulations (hereinafter ***"Retail Client"***), the Company is not obliged to provide the Client with such information.
4. The Company may request a special power of attorney from the Client, including an authorisation to grant a power of attorney to a third party, or the Client's consent if necessary in relation to the provision of investment services under the Agreement and if the powers of attorney or consents already granted by the Client are not sufficient for the relevant purpose, or if they are required by a third party whose assistance is vital for the provision of the relevant investment service.
5. The Company has a management and control system which includes conflicts of interests management in the performance of activities, including the identification, prevention and reporting of such conflicts to Clients, and maintains and regularly updates its records of any conflicts of interests which occurred or might have occurred in connection with the provided investment service. If an adverse effect on the Client's interests resulting from a conflict of interests cannot be reliably prevented despite any adopted measures, the Company shall inform the Client of the nature or source of the conflict of interests before the investment services are provided. The Company may refuse the provision of the requested investment service, either in whole or in part, if a conflict of interests is imminent between the Company and the Client or the investment fund under management, or between Clients or investment funds under management.

3. Conclusion of Agreements

1. The Client can enter into an Agreement with the Company in person, usually at the Company's registered office and/or premises; in such case, the Company must be represented by its authorised employee or a member of the statutory body.
2. Identification of the Client at the moment the Parties enter into their Agreement as specified in Article 3.1. above must be performed by the Company's authorised representative or, as the case may be, its authorised employee, in the following manner:
   (a) Natural person – according to the data in the Client's valid identity card featuring a photograph of the Client;
   (b) Legal entity – according to an extract from the Companies Register or a similar registry, not older than 3 months, which becomes an integral part of the Agreement and is deposited with the Company. Natural persons acting on behalf of a Client – legal entity – will be identified in compliance with the provision of sub-clause (a) above;

(c) Person representing the Client on the basis of a power of attorney – the identification will be performed as specified either in sub-clause (a) or (b) above; the person representing the Client must provide the Company with the original power of attorney featuring a notarised signature of the Client; the original becomes an integral part of the Agreement and is deposited with the Company.

The Company is also entitled to require other documents from the Client for the purpose of identification of the Client.

3. If required, for instance, by the relevant market operator or by any special law, the signature of the Client or of the Client's representative on the original of the Agreement must be notarised. Similarly, the signature of the Client on the relevant power of attorney granted to the Client's representative must be notarised.
4. The Company may require the Client to provide further assistance during his/her identification, exceeding the scope of the duties specified above, if required under special laws and regulations, in particular under Act No. 253/2008 Coll., on Certain Measures against the Legitimisation of the Proceeds of Crime, as amended. The Company may refuse to enter into the Agreement especially, without limitation, if the Client fails to provide the Company with the assistance necessary for the Client's identification or if the Client fails to disclose any information necessary for the performance of the relevant Agreement (the provision of the relevant investment service or services) (for instance the number of the Client's asset account with the Register or, as the case may be, the Client's registration number on the relevant markets, or if the Client fails to provide the Company with the assistance necessary to open the Client's asset account with the Register or, as the case may be, to have the Client registered on the relevant market, depending on the subject matter of the Agreement).

4. Asset Management

Asset management means management of the Client's assets specified in Article 4.1.1 below, at the discretion of the Company and within the scope of the contractual arrangement (portfolio management), in terms of Section 11(1)(c) of the AICIF (also referred to as the ***"Asset Management"*** in these Business Terms and Conditions), and in compliance with the relevant Investment Management Agreement (also referred to as the ***"Asset Management"*** in these Business Terms and Conditions).

4.1. General Principles of Asset Management

1. For the purposes of these Business Terms and Conditions, Client's assets mean customer assets within the meaning of Section 2(1)(o) of the ACBCM. The Client allocates his/her assets subject to management by the Company to the individual portfolios specified in the Investment Management Agreement. The Client's assets subject to management (also referred to as the ***"Assets"*** or the individual components thereof listed in the Investment Management Agreement, also referred to as ***"Portfolio/Portfolios"*** in these Business Terms and Conditions), unless provided otherwise in the Investment Management Agreement, mean:
   (a) Investment Instruments which may be acquired by the Client in compliance with the generally binding laws and regulations, entrusted to the Company by the Client and/or acquired during asset management under the Investment Management Agreement for the Client's benefit;
   (b) Funds entrusted to the Company by the Client and/or acquired during asset management under the Investment Management Agreement, intended for investments in Investment Instruments,
2. Asset Management may involve especially, without limitation, the following:
   (a) Effecting trades in Investment Instruments for the benefit or at the expense of the Portfolio, in particular the execution of a purchase or sale of the Investment Instruments that may be acquired by the Client under the applicable generally binding laws and regulations; and
   (b) Safekeeping and administration of the Client's Investment Instruments in the Portfolio; and
   (c) Original acquisition of Investment Instruments, i.e. subscription for the Investment Instruments at the primary market (IPO); and
   (d) Depositing funds on deposit and time deposit bank accounts; and
   (e) Activities directly related to the activities mentioned above, in particular valuation of the Portfolio as agreed with the Client and determination of the Investment Policy under Article 4.1.5. below.
3. Asset Management does not include representation of the Client or exercise of voting rights at General Meetings of joint-stock companies whose shares are included in the Assets, or representation of the Client at the meetings of owners of bonds included in the Assets, unless the Company and the Client agree otherwise in the Investment Management Agreement or in any particular case. The Company is obliged to exercise the right to the payouts of dividends (shares in profit) with the relevant joint-stock company or the right to the payout of bond coupons; in addition, the Company is obliged to claim the dividend (share in profit) from the relevant joint-stock company; both obligations apply unless the Company and the Client agree otherwise in any particular case.
4. When managing the individual Portfolios, the Company is bound by any and all principles, investment objectives and parameters defined by the Client with respect to the individual Portfolios in the Investment Management Agreement (hereinafter referred to as the ***"Investment Policy"***). The Investment Policy shall be defined at least by the following features:
   (a) Investment strategy,
   (b) Reference portfolio (benchmark),
   (c) Rules for value determination, reinvesting cash flows and maintaining the reference portfolio,
   (d) Investment restrictions aimed at limitation of risks and maximisation of proceeds from the Portfolio.
5. The method prescribed for changing the Investment Policy and the individual Portfolios is specified in the Investment Management Agreement. Throughout the term of the Investment Management Agreement, the Client is not allowed to make dispositions with the Investment Instruments or the funds included in any of the Portfolios, unless the Portfolio is changed in compliance with the Investment Management Agreement. The fact that the structure of the Portfolio may undergo continuous changes as a result of the Portfolio management performed by the Company is not affected thereby.
6. Throughout the term of the Investment Management Agreement, the Company is obliged to inform the Client regularly of the course and the results of management of the Assets (i) in the manner(s) specified in Article 5(2) below and (ii) always at the Client's written request for any information related to the Assets; the information from the Company to the Client must be provided in writing; however, the information provided thereby must not exceed the usual scope of the respective information and must not excessively burden the Company (hereinafter referred to as the ***"Reports"***). The scope of information provided by the Company to the Client which is related to the Asset Management must correspond at least to the scope prescribed by the applicable laws and regulations.
7. The Client has the right to challenge the Report in writing, no later than 10 working days following the delivery of the Report. Working day under these Business Terms and Conditions means any working day according to the calendar applicable in the Czech Republic. This means that a working day is defined as every calendar day except weekends and work-free days in terms of Act No. 245/2000 Coll., on Bank Holidays, Other Holidays, Memorable Days and Work-Free Days, as amended. If the Client fails to challenge the Report pursuant to the preceding sentence, the final wording of the delivered Report will be considered approved by both Parties, unless it later transpires that the Report suffered from inaccuracies or other defects. The Parties undertake to agree on the final wording of the Report as soon as possible.
8. The Company is obliged to keep any and all materials documenting the Company-'s services provided to the Client, especially documents that prove the following:
   (a) Acquisition and disposition of Investment Instruments in the course of management of the respective Portfolio;
   (b) Fluctuation of the Client's funds in the course of management of the respective Portfolio, so that the Client can be informed thereof without undue delay at any time on request.
9. For the purposes of the Asset Management, the Company maintains:
   (a) "Portfolio Account", maintained by the Company for the Client as an account used for keeping records of the respective Investment Instruments entrusted by the Client to the Company for management and/or acquired by the Company in the course of the Asset Management in compliance with the Investment Management Agreement; the Portfolio Account is also used for recording the fluctuations of the Investment Instruments. If agreed between the Company and the Client, the Company may open more than one Portfolio Account. Said Portfolio Accounts can be kept with the respective bank / securities broker--dealer (brokerage firm):
      (i) In the name of the Client
      The Client opens a Portfolio Account exclusively for the purposes of the Investment Management Agreement with the respective bank / securities broker-dealer (brokerage firm) and at the same time grants to the Company the disposition rights necessary to make dispositions with said Portfolio Account or with the Investment Instruments on the Portfolio Account.
      or
      (ii) In the name of the Company
      The Company is allowed to keep the Client's Investment Instruments on the Portfolio Account in the name of the Company together with Investment Instruments belonging to other clients of the Company. The Company does not keep any of its own Investment Instruments on either of said accounts.
   (b) "Investment Account", used for keeping records of the Client's funds and the fluctuations thereof. The Company is obliged to deposit all the Client's funds on this Investment Account, that is both the Client's funds held in trust and the funds generated in the course of the Asset Management. If agreed between the Company and the Client, several Investment Accounts denominated in various currencies may be opened. These Investment Accounts may be kept with the respective bank:
      (i) In the name of the Client
      The Client opens an Investment Account exclusively for the purposes of the Investment Management Agreement with the respective bank, and grants to the Company the disposition rights necessary to make dispositions with said Investment Account, or the funds on said Account, as the case may be. If necessary, the Company requests the Client to open a new Investment Account in the name of the Client, and the Client is obliged to open such an Investment Account without delay.
      or
      (ii) In the name of the Company
      The Company is allowed to maintain the Client's funds on the Investment Account in the name of the Company together with the funds belonging to other clients of the Company. The Company does not maintain any of its own funds on either of said accounts.
10. Unless stipulated otherwise in the Investment Management Agreement, the Client is obliged to transfer the funds subject to Asset Management to the Investment Account no later than 14 days following the conclusion of the Investment Management Agreement. The Client is obliged to inform the Company of the executed transfer of these funds without undue delay and as specified in Article 5 herein below.
11. Foreign Investment Instruments included in the Assets may be maintained at a sub-account opened with institutions used by the Company/ bank/ securities broker-dealer (brokerage firm) on the basis of a contractual arrangement in order to execute trades on the individual foreign markets; these sub-accounts shall be kept in the name of the Company/ bank/ securities broker-dealer (brokerage firm). If the foreign Investment Instruments acquired by the Company/ bank/ securities broker-dealer (brokerage firm) for the Client are registered on a sub-account under the asset account belonging to the Company/ bank/ securities broker-dealer (brokerage firm) with the depot bank for foreign Investment Instruments, the Client becomes the owner of these purchased foreign Investment Instruments at the moment the same are credited to the relevant sub-account, and the registration of said foreign Investment Instrument is separated from the foreign Investment Instruments owned by the Company/ bank/ securities broker-dealer (brokerage firm). The client ceases to be the owner of these foreign Investment Instruments at the moment the same are debited from the above mentioned sub-account. If agreed with the Company, the Client himself/herself may enter into a contract on the keeping of an account for the registration of foreign Investment Instruments; however, the Client must grant the rights to make dispositions with such opened

accounts to the Company.

12. The Asset Management performed by the Company must comply with the applicable rules for limitation and diversification of risks under the generally binding laws and regulations, especially with regard to the statutory restrictions binding on the Client when investing in the respective Investment Instruments.

4.2. Market Value of the Portfolio

Market value of the Portfolio means the sum total of the market values of the Investment Instruments, funds and other instruments in the relevant Portfolio. For the purposes of these Business Terms and Conditions, a book-entry security is also deemed a security unless prohibited by the nature of the security or the meaning of the relevant provision.

When managing the Portfolio, the Company uses the following procedures to ascertain the market value of the individual Investment Instruments:

(a) The value of Czech bonds denominated in Czech crowns will be calculated on the basis of the closing bid quote from the secondary market operated on the basis of the MTS Czech Republic electronic trading platform for the day as of which the value is calculated (value calculation day).

(b) To calculate the value of foreign bonds denominated in Czech crowns, or if the value of Czech bonds denominated in Czech crowns cannot be calculated using the procedure described in sub-clause (a) hereof, the closing bid price will apply which was quoted by any of the generally recognised market makers as of the value calculation day, announced on its contribution pages in any of the generally recognised information systems publishing price quotes on financial markets; the price used will be the bid price available after the close of business of the financial market in the Czech Republic.

(c) The value of foreign bonds denominated in foreign currencies will be calculated using the closing bid price (according to the customs on the relevant market) quoted by any of the generally recognised market makers on the value calculation day, announced on its contribution pages in any of the generally recognised information systems publishing price quotes on financial markets.

(d) The value of stock instruments, meaning Czech shares, shares in Czech investment funds and investment companies, foreign shares, foreign shares in closed-end investment funds and closed-end investment companies, Czech and foreign unit certificates of closed-end unit trusts and index certificates (hereinafter referred to as the ***"Stock Instrument"***) traded at the domestic public market, will be calculated using the closing rate of the Stock Instrument announced by the Prague Stock-Exchange (hereinafter referred to as the ***„Stock--Exchange"***) on the value calculation day, provided the Stock Instrument was traded on the Stock-Exchange rate-making market on said day. If the value of the Stock Instrument cannot be calculated for the value calculation day according to the preceding sentence, the value will be calculated using the lowest of the closing rates of the Stock Instrument for the given day, as announced by the off-exchange market operator on whose rate-making market the Stock Instrument was traded on the relevant day.

(e) Sub-clause (d) hereof will not apply if a public offer of a securities purchase contract (Stock Instrument purchase contract) has been made in compliance with specific legislation and if the price of the securities (Stock Instrument) specified in the offer exceeds the price calculated under sub-clause (d) hereof. In such case, the price specified in the public offer of the securities purchase contract will be used, for as long as the public offer is binding.

(f) The value of a Stock Instrument traded only on a foreign public market will be calculated using the price announced on the value calculation day on the relevant foreign public market, unless stipulated otherwise herein below.

(g) The value of foreign shares in open-end investment funds, shares in open-end investment companies and Czech and foreign unit certificates of open-end unit trusts will be calculated using the present net asset value per one unit certificate of an open-end unit trust or per one share of an open-end investment fund or per one share of an open-end investment company, announced by the issuer of the unit certificate or the share of the open-end investment fund or the share of the open-end investment company on the value calculation day.

(h) The value of derivatives traded on public markets will be calculated on the basis of the rate announced on the value calculation day on the relevant public market. If the price of the derivative cannot be ascertained according to the preceding sentence, the value thereof will be calculated on the basis of an expert estimate based on a generally respected valuation model for the relevant type of derivative using the model parameters available in any of the generally recognised information systems.

(i) If the calculation method under sub-clauses (a) through (h) hereof cannot be used, the value of the Investment Instruments mentioned in sub-clauses (a) through (h) hereof will be calculated using the rate or the present net asset value under sub-clauses (a) through (h) hereof announced for the last time in the period of 30 days preceding the value calculation day.

(j) The value of receivables from promissory notes / bills of exchange will be calculated on the basis of the nominal value of the relevant promissory note / bill of exchange, discounted to the net present value.

(k) The value of receivables from deposits and certificates of deposit will be calculated by means of discounting, using the present market rate.

(l) If the value of the respective Investment Instrument cannot be determined using the rules specified in this Article, then the price of debt instruments will be determined by ascertaining the NPV (i.e., net present value), using the relevant zero curves for the relevant currencies and using the credit spreads for the relevant issuers. The value of a Stock Instrument will be determined by ascertaining the corresponding share in the net assets according to the last audited financial statements or, as the case may be, by means of an expert estimate.

(m) The present value of receivables acquired or liabilities incurred from closed but still unsettled investment operations will be calculated by discounting to the net present value. The present value of existing but still outstanding receivables from the rights to receive payouts of interest coupons, dividends or the rights to receive an instalment on the principal amount is the nominal value of such receivables of liabilities.

(n) The value of Investment Instruments will at all times be calculated with regard to the common market practice of calculating the total value of the relevant Investment Instrument on the relevant market; the value of the given Investment Instrument will at all times include the accrued interest as of the value calculation day.

(o) If the value of any Investment Instrument or any receivable acquired or liability incurred from an investment operation is quoted in a foreign currency, the same will be translated to the domestic currency using the foreign exchange rate on the foreign exchange market announced at the website of the central bank of the Client's country unless agreed otherwise with the Client. Currencies the exchange rate of which is not announced by the central bank of the Client's country will be translated according to the USD exchange rate vis-à-vis said currency, announced in any of the generally recognised information systems.

(p) The Company is allowed to value any Investment Instrument using other methods than those specified in this Article, provided the new method of calculation reflects more accurately the value of the Investment Instrument; such valuation will be executed upon an agreement with the Client.

4.3. Procedures for the Calculation of the Asset Management Remuneration

In consideration of the Asset Management, the Client is obliged to pay remuneration to the Company, consisting of the following fees:

– basic fee
– progressive fee from profit, and
– fees for services provided by third parties,

that are specified in the paragraphs below and in the Investment Management Agreement (hereinafter referred to as the ***"Remuneration"***).

If the Assets are divided into several Portfolios, the Remuneration will be calculated as specified below in respect of each Portfolio separately.

The Company is entitled to a **basic fee** from the average market value of the Client's Portfolio, which will be calculated as follows:

$$BF = C * MVa * (d/365)$$

Where: **BF** is the basic fee payable for the relevant period of time
C is the coefficient of the basic fee, as stipulated in the Investment Management Agreement
d is the number of calendar days in the relevant period of time
MVa is the average market value of the Portfolio for the relevant period of time, which will be calculated using the following formula:

$$MVa = \frac{sum\ MVi}{n}$$

Where: **MVi** is the market value of the Portfolio as of the last working day of the i^{th} week
n is the number of weeks in the relevant period of time

The relevant period of time for the calculation of the basic fee is a calendar month.

In addition to the basic fee, the Company is entitled to a **progressive fee from profit** from the Client's Portfolio under management exceeding the proceeds from the reference portfolio (benchmark) in the target period of time. The amount of the progressive fee will be calculated as follows:

$$PF = M * max\ [(MVP1 - MVP0) – (VRP1 – VRP0); 0]$$

Where: **PF** is the progressive fee
M is the coefficient of the progressive fee, as stipulated in the Investment Management Agreement
MVP1 is the market value of the Portfolio at the end of the relevant period of time
MVP0 is the market value of the Portfolio at the beginning of the relevant period of time
VRP1 is the value of the reference portfolio at the end of the relevant period of time
VRP0 is the value of the reference portfolio at the beginning of the relevant period of time

The relevant period of time for the calculation of the progressive fee is a calendar year. Should the composition of the Portfolio or its reference portfolio change, the Parties may simultaneously agree to end the relevant period of time as of the day on which the composition of the Portfolio or its reference portfolio changed. In such case, the next period of time starts on the day subsequent to the end date of the previous period of time; the next period of time lapses at the end of the then current calendar half year.

4.4.Effecting Trades in Investment Instruments for the Client

1. When implementing the decision to make transactions with Investment Instruments adopted in the management of the Client's Assets (hereinafter referred to as the ***"order"***), the Company is obliged to effect the trades with Investment Instruments for the Client (hereinafter referred to as the ***"trade"*** or ***"trades")*** in compliance with the Order Execution Rules.
2. The Company has the right to aggregate orders or trades for one or more Clients if the orders or trades concern the same Investment Instrument with the same direction (buy/sell), subject to the observance of the rules stipulated by the Order Execution Rules (hereinafter referred to as the ***"aggregation of orders"***), primarily if
   (a) It is not likely that the aggregation of orders will be less favourable to the Clients, whose orders are to be aggregated than a separate execution of such orders,
   (b) The Client whose order is to be aggregated was informed that the aggregation of the order could be less favourable to the Client than a separate execution thereof if any such situation could occur,
   (c) The performance and commitments from the executed aggregated order shall be allocated in compliance with the Order Execution Rules, and
   (d) The allocation of performance and commitments from the aggregated order shall not cause any damage or losses to any Client.

3. Settlement of a trade effected on the basis of an order means especially, without limitation, the settlement of mutual receivables and liabilities from the trade. The Company is entitled to secure such settlement through the mediation of a third party; nevertheless, the Company is liable for due and timely settlement. When settling trades:
   (a) As concerns settlement giving rise to the Client's right to acquire the relevant investment instruments from a third party (i.e. in particular purchasing investment instruments or borrowing investment instruments), the Company is entitled to transfer the investment instruments subject to settlement according to the relevant order first to the account of the Company as the owner of the investment instruments in the Register; the relevant investment instruments will be transferred to the account of the Client as the owner of the investment instruments in the Register without undue delay but only after the final settlement of the relevant order.
   (b) As concerns settlement giving rise to the Client's obligation to transfer the relevant investment instruments to a third party (i.e. in particular selling investment instruments or lending investment instruments), the Company is entitled to transfer the respective investment instruments first to the Company's asset account with the Register; the received funds corresponding to the consideration for the transfer of the relevant investment instruments under the Client's Order, reduced by the Client's liabilities due to the Company under the relevant trade will be credited to the Client's account without undue delay.
4. The Client is obliged to inform the Company and in the case of the payment on the Investment Account conducted under the name of the Company to identify all payments (deposit into the Portfolio). Any payments lacking said identification will be collected on the Company's bank account and will be credited to the Client after the Client proves that he/she has paid the relevant amount (e.g. by presenting a payment order). The Company cannot be held liable for mistakes on the part of the bank.
5. If the Client's funds are held on an Investment Account in the name of the Company, the Client is entitled to receive the corresponding interest awarded to the Company by the bank(s) managing the Company's accounts with the funds entrusted to the Company by its clients. The Company will credit the corresponding amount of interest awarded by the bank to the Client gross, in the amount before taxation, rounded down to whole Czech crowns, only if the amount of the calculated quarterly interest accrued on the Client's funds exceeds the amount of 100 CZK (in the case of accounts denominated in foreign currency, an equivalent of this amount translated by the exchange rate announced on the last day of the relevant quarter will be used).

4.5 Inducements

1. The Company is not allowed to retain any inducement in the form of a payment or any other monetary benefit or accept any inducement in the form of a non-monetary benefit in connection with the provision of the investment service of Asset Management; this shall not apply to any minor non-monetary benefits which could contribute to the enhancement of quality of the supplied service and which, considering the scope and nature of the inducement, cannot be deemed a benefit leading to a breach of the Company's obligation to act in the Client's best interest, providing the Client is informed thereof in clear and comprehensible language.
2. The Company is not allowed to retain any inducement in the form of a payment or any other monetary benefit or accept any inducement in the form of a non-monetary benefit in connection with the provision of the investment service of investment advisory if the Company informed the Client that the service is provided independently; this shall not apply to any minor non-monetary benefits which could contribute to the enhancement of quality of the supplied service and which, considering the scope and nature of the inducement, cannot be deemed a benefit leading to a breach of the Company's obligation to act in the Client's best interest, providing the Client is informed thereof in clear and comprehensible language.
3. If the Company informed the Client that the Company does not provide the investment service of investment advisory independently, the Company may accept and provide inducements in compliance with the provisions of the ACBCM and other laws and regulations.

5. Means of Communication

1. The Client can communicate with the Company, at the Client's own discretion, by the following methods; this applies to any issue concerning performance under the Agreement (unless stipulated otherwise in the Agreement):
   (a) Personally, at the address of the Company's registered office specified in the introductory provisions of the Agreement;
   (b) By fax, after the Company informs the Client in writing of its fax number which the Client is supposed to use in his/her communication with the Company;
   (c) By phone, using the number provided by the Company, after the Client provides his/her name and surname or the Client's company name;
   (d) By registered mail, to the address of the Company's registered office specified in the introductory provisions of the Agreement or, as the case may be, to another address notified by the Company to the Client in writing;
   (e) By a registered courier service, to the address of the Company's registered office specified in the introductory provisions of the Agreement or, as the case may be, to another address notified by the Company to the Client in writing.
   (f) Via e-mail if such a possibility was agreed with the Company in the Agreement.

   The Client may even choose a combination of various methods of communication specified in Article 5.1 above for the purpose of communicating with the Company, or determine other means of communication upon mutual agreement in the Agreement (e.g. communication by e-mail).
2. The Company can communicate with the Client, at its own discretion, by the following methods; this applies to any issue concerning performance under the Agreement:
   (a) Personally, at the Client's address specified in the introductory provisions of the Agreement; if a written report on the course and results of the Asset Management is delivered personally, the receipt thereof must be confirmed on behalf of the Client by his/her authorised representative pursuant to the relevant provision of the Agreement;
   (b) By phone, using the number provided by the Client, save for disclosure of information which must be provided by the Company to the Client on a permanent data carrier;
   (c) By fax, after the Client informs the Company in writing of the Client's fax number which the Company is supposed to use in order to communicate with the Client;
   (d) By registered mail, to the address of the Client specified in the introductory provisions of the Agreement or, as the case may be, to another address notified by the Client to the Company in writing;
   (e) By a registered courier service, to the address of the Client specified in the introductory provisions of the Agreement or, as the case may be, to another address notified by the Client to the Company in writing;
   (f) Via internet.

   The Company may even choose a combination of various methods of communication specified in Article 5.2 above for the purpose of communicating with the Client.
3. When the Client and the Company communicate over the phone, the use of a password agreed upon by the Company and the Client for the purposes of such communication may be required. The Company will disclose the password to the Client without undue delay after the signing of the Agreement; the password will be disclosed in writing by means of a registered letter sent for the attention of the Client or, as the case may be, the Client's authorised representative named in the Agreement. The same procedure will apply to any changes to the password made by the Company, whether requested by the Client or not. Failure to use the respective password in the communication between the Company and the Client may render such communication defective and without any of the effects presumed by the Agreement or these Business Terms and Conditions. In such case, both Parties hereby mutually undertake to adopt any and all measures necessary to keep the passwords for their mutual telephone communication pursuant to the preceding paragraph confidential and protected from misuse.
4. Telephone calls related to the provision of investment services by the Company to the Client must be recorded by the Company and the recordings must be archived for the period of time required under the applicable laws and regulations. In the event of disputes between the Parties, the recordings may be used as evidence.
5. The Company is not liable for any errors or delays caused by fax transmission or for the fact that the transmission is not successful at all, or for any other consequences, or damage or losses (if any), if such errors, delays or other consequences or damage/losses are incurred as a result of force majeure. The Client acknowledges that electronic communication via fax or e-mail can result in losses, destruction, that the transmission can be incomplete or delayed, and that the transmitted data can be acquired, used or misused by unauthorized parties. The Company and the Client are therefore always obliged to take steps aimed at limitation of the risk of such data losses to the greatest extent possible.
6. Any and all notifications, instructions/orders and announcements dispatched in compliance with the respective Agreement are considered delivered with effect from the moment they are actually delivered to the recipient; however, the recipient is allowed to consider any instructions/orders or announcements delivered on working days after 4.30 p.m. CET as being delivered at 9 a.m. of the immediately succeeding working day. If the recipient fails to take over a letter sent by registered mail, the consignment is considered delivered to the recipient on the fifth day following the day it was deposited with the provider of postal services.

6. Information on Risks

1. The Company informs the Client of potential risks that may be related to the requested investment service and of possible hedging against such risks in the "Information of the Company" document.
2. Neither the expected proceeds, nor any potential proceeds are guaranteed; also the return on the amount invested by the Client is not guaranteed. The Company is not liable for losses suffered as a result of a decline of the rate of the investment instrument on the relevant market.

7. Complaints; Liability for Damage/Losses

1. The Company is not liable for damage/losses incurred by the Client as a result of circumstances excluding the Company´s liability, i.e. such circumstances which are beyond the Company´s control despite all professional care exerted when rendering the investment services, such as fluctuations of the rate of investment instruments on regulated markets, failure to effect trade or delayed effecting of trade or delayed settlement of trade caused by acts or omissions on the part of the Client or third parties, by the inability of other parties to the trade to discharge their obligations, by economic problems of the issuers and by the Client's failure to discharge the Client's obligations under the Agreement.
2. Liability for damage/losses incurred throughout the term of the Agreement will be governed by the provisions of the Civil Code.
3. If the Client is not satisfied with the investment services rendered by the Company, the Client may lodge a complaint with the Company following the procedure and the rules laid down in the "Complaints Procedure Rules in Generali Investments CEE, investiční společnost, a.s." (hereinafter referred to as the ***"Complaints Procedure Rules"***), which will be handed over to the Client by the Company at the signing of the Agreement and which are also freely available in the Company's premises. Subject to the terms of Act No. 229/2002 Coll., on Financial Arbitrator, as amended, the Client is entitled to an out-of-court settlement of consumer disputes in the Office of the Financial Arbitrator at Legerova 1581/69, 110 00 Prague 1, e-mail: arbitr@finarbitr.cz, website www.finarbitr.cz or telephone number +420 257 047 070. Simultaneously, the Client also has the right to lodge a complaint against the Company with the CNB, in particular if the Client is not satisfied with the settlement and/or the process of settling complaints and claims lodged by the Client; the complaint must be lodged at the address of the Czech National Bank: Česká národní banka, Senovážná 3, 115 03 Prague 1, or at its free telephone no. +420 800 160 170 or by e-mail to: podatelna@cnb.cz.

8. Information on the Investor Compensation Fund

1. The Investor Compensation Fund is a legal entity registered in the Companies Register which operates a guarantee system from which compensations are paid to clients of a securities broker-dealer (brokerage firm) or **an investment company** which manages the client's assets or provides the service of safekeeping and administration of investment instruments, including associated services relating to securities and book-entry securities issued by an investment fund (referred to as the **"securities broker-dealer"** below in this Article), if such entities are unable to

discharge their obligations owed to their clients, as described below (hereinafter referred to as the ***"Investor Compensation Fund"***). The Investor Compensation Fund has been established and operates in compliance with the applicable provisions of the ACBCM. The Company pays an annual contribution to the Investor Compensation Fund in the amount stipulated by the ACBCM. Particulars regarding the Investor Compensation Fund are published at www.gfo.cz.

Compensation from the Investor Compensation Fund

1. The CNB will notify the Investor Compensation Fund, without undue delay, that:
   (a) A securities broker-dealer is unable to discharge its obligations consisting in the release of assets to clients due to its financial situation and is not likely to discharge said obligation within 1 year, or
   (b) The competent court rendered an insolvency resolution affecting the respective securities broker-dealer or any other resolution the consequence of which is that the clients of the respective securities broker-dealer cannot effectively claim the release of their assets by the securities broker-dealer (hereinafter referred to as the ***"CNB Notification"***).
2. The Investor Compensation Fund shall publish a notification, immediately, in a suitable manner and as agreed by the Czech National Bank, which will contain:
   (a) The fact that the securities broker-dealer is unable to pay its debts,
   (b) The place, procedure and deadline for submitting claims for a compensation and commencement of compensation payouts from the Investor Compensation Fund (the deadline for submitting claims must not expire earlier than 5 months of the day of the CNB Notification and the fact that the deadline was missed cannot be invoked as a reason for denying the compensation from the Investor Compensation Fund), and
   (c) Other circumstances (if any) relating to the submission of claims.
3. Compensation from the Investor Compensation Fund is provided for the Client's assets which cannot be released out of reasons directly related to the financial situation of the securities broker-dealer. The amount of the compensation will be calculated as of the day on which the Investor Compensation Fund received the CNB Notification and the calculation will correspond to the sum total of the values of all components of the Client's assets which could not have been released out of reasons directly related to the financial situation of the securities broker-dealer, including the Client's co-ownership share in the assets owned jointly with other clients, and with the exception of the value of funds entrusted to the securities broker-dealer which is a bank or a branch of a foreign bank and which are kept by the securities broker-dealer on accounts insured under special laws regulating banking. The value of the Client's obligations owed to the securities broker-dealer, payable as of the day on which the Investor Compensation Fund received the CNB Notification, will be deducted from the resulting sum. The calculation of compensation will be based on the fair values of the Investment Instruments valid on the day on which the Investor Compensation Fund received the CNB Notification. When calculating the amount of the compensation, the Investor Compensation Fund may also take into consideration the contractual arrangements between the securities broker-dealer and the Client, if they are regular and common, especially the actually credited interest or other revenues which the Client can claim as of the day on which the Investor Compensation Fund received the CNB Notification.
4. Compensation paid to the Client will amount to 90 % of the sum calculated according to paragraph 3 but will not exceed the equivalent of 20,000 EUR in Czech Crowns.
5. The client's right to receive compensation from the Investor Compensation Fund will become statute-barred no later than 5 years (limitation period) of the public announcement of the circumstances specified in the preceding paragraph. If the Client lodged his or her claim for compensation within this period and in the way prescribed in paragraph 2(b) of this Article, this period shall not expire earlier than 3 months from the date of delivery of the application to the Investor Compensation Fund.
6. Compensation from the Investor Compensation Fund must be paid no later than 3 months following the verification of the registered claim and the calculation of the amount of said compensation. In exceptional cases the CNB may, at the request of the Investor Compensation Fund, extend said time limit by no more than 3 months.
7. The following persons are not entitled to the compensation from the Investor Compensation Fund:
   (a) Czech Consolidation Agency,
   (b) Any district or regional self-governing unit,
   (c) Any person who in the course of 3 years preceding the announcement referred to in paragraph 2 above:
      (1) Has audited or participated in the audit of the securities broker-dealer,
      (2) Has been a managing director of the securities broker-dealer,
      (3) Has been a person with a qualifying holding in the securities broker-dealer,
      (4) Has been a close person in terms of the Civil Code vis-à-vis the persons referred to in points 1 to 3 above,
      (5) Has been a person belonging to the same business group as the securities broker-dealer,
      (6) Has audited or participated in the audit of a person belonging to the same business group as the securities broker-dealer,
      (7) Has been a member of the managing body of a person belonging to the same business group as the securities broker-dealer,
   (d) Any person in which the securities broker-dealer or a person with a qualifying holding in the securities broker-dealer holds or has held a share exceeding 50 % of the registered capital or voting rights at any moment in the course of the past 12 months immediately preceding the day of the CNB Notification,
   (e) Any person who has entrusted funds obtained by a criminal activity, in connection with the legalisation of proceeds of crime (money laundering),
   (f) Any person who has committed a criminal offence which resulted in the inability of the securities broker-dealer to discharge its obligations vis-à-vis its clients,
   (g) Member of an association pursuant to Section 829 of Act No. 40/1964 Coll., as amended by Act No. 509/1991 Coll., or partner of a partnership pursuant to Section 2719 of the Civil Code, who was not provenly identified to the securities broker-dealer as member of an association or partner of a partnership, respectively, before the decision on insolvency of the securities broker-dealer was issued or before the announcement pursuant to Section 130(1)(a) of the ACBCM.
8. The Company will provide the Client with more detailed information in writing at the Client's request.
9. Should the applicable legal provisions regulating the Investor Compensation Fund or the payment of compensations from the Investor Compensation Fund to the clients of securities brokers/dealers be amended, compared to the wording on which this Article 8 is based, the wording of this Article 8 is deemed amended as of the day the new legal provisions take effect.

9. Final Provisions

1. The Company represents and warrants that it is not a member of Stock-Exchange) or any other securities/stock-exchange. Should the Company become a member of the Stock Exchange or other securities/stock- exchange during the term of the Agreement, the Company will inform the Client thereof immediately, advising the Client of how this membership will be reflected in the relationship between the Company and the Client together with a proposed solution to the situation.
2. The Company is entitled to use a third party to perform some of the activities related to the provision of investment services, especially if the Company is unable to perform the required activity itself or if the third party is able to secure the performance of such activities in a more efficient and beneficial manner (i.e. at lower costs) and the third party is entitled to perform such activities. However, the Client does not acquire any rights or incur any obligations vis-à-vis the third party, and the liability of the Company vis-à-vis the Client is not affected thereby in any manner, unless provided otherwise in the Agreement.
3. Throughout the term of the Agreement, the Company or, as the case may be, the third party is entitled to be registered as a person authorised to exercise the Client's rights related to the Client's asset account with the Register and the Client is in such case obliged to grant the necessary powers of attorney, consents and assistance.
4. The Company or, as the case may be, the third party is obliged to use only the Client's asset account identified by the Client for book-entry or immobilised investment instruments registered in the Register.
5. In order to secure payment of the Company's due and outstanding receivables against the Client, the Company may exercise the right to retain the Investment Instruments and the funds in the relevant accounts under these Business Terms and Conditions and the Agreement (i.e. in the Investment Account and the Portfolio Account). Should the Client default on any payment owed to the Company, the Company is entitled to sell the corresponding number of Investment Instruments and use the proceeds to settle its claim, or to transfer the corresponding amount from the respective account of the Client to the Company's account. The Company must inform the Client of the above mentioned intention in advance. If the proceeds from the sale of the Investment Instruments exceed the amount necessary to settle the Company-'s claim in full, the difference will be credited to the respective account of the Client.
6. The Client undertakes to inform the Company immediately of all circumstances that significantly affect or could significantly affect performance under the Agreement as well as of any changes to the information provided to the Company in the past in relation to the conclusion of the Agreement. Furthermore, immediately after the delivery of the Company's written request, the Client is obliged to provide the Company with any and all documents in Czech, or with an official translation into Czech, which will become necessary in the course of the cooperation of the Parties under the Agreement, unless the Parties agree otherwise. The Company is not liable for damage/losses (if any) caused by the Client's failure to discharge these obligations.
7. If the Company amends, based on any reasonable needs, the Business Terms and Conditions other than by amending the Business Terms and Conditions in such manner that the amendments reflect only formal amendments, changes of pricelists or conditions laid down by the operators of the individual execution venues or third parties participating in the effecting of trades, the Company is obliged to inform the Client by a letter sent to the address of the Client's contact person identified in the Agreement about the amendment or the issue of new Business Terms and Conditions. If no contact person is identified in the Agreement, the Company shall send such information to the Client's address referred to in the introductory provisions of the Agreement, or to such other address which the Client announced to the Company in writing, no later than 30 days prior to the day the respective amendment takes effect. The Company is obliged to publish the amended or the new Business Terms and Conditions on the Company's website by the same deadline. Unless the Client expresses his/her written disapproval of the new wording or the amendments by the moment the amendment or the issue of new Business Terms and Conditions take effect, the Client undertakes to observe the new or amended wording of the new Business Terms and Conditions. If the Client expresses a written disagreement with the new wording of or the amendments to the Business Terms and Conditions before the amendment or the issue of the new Business Terms and Conditions take effect, both contracting parties have the right to terminate the relevant agreement by notice to which the Business Terms and Conditions relate; the notice period will be determined by the Agreement. The Company may amend the Complaints Procedure Rules by publishing the new version of the Complaints Procedure Rules on the Company's website and by sending a written or electronic notice of such an amendment to the Client before the amendment takes effect.
8. The Agreement and these Business Terms and Conditions will be governed by and construed in compliance with the laws of the Czech Republic. The execution of the individual trades and settlements under the Agreement will be governed by the applicable laws and regulations, business codes, rules, regulations, provisions and interpretations of the individual markets and the operators of said markets, especially, without limitation, the rules and regulations of the relevant stock exchanges and regulatory authorities in the respective country, applicable on the territory of the respective country, or, as the case may be, the rules and regulations of the clearing houses where the Company or its contractual partners execute said trades.
9. Those relations between the Client and the Company which are not regulated by the respective Agreement or these Business Terms and Conditions are governed by Czech laws and regulations, especially, without limitation, the applicable provisions of the ACBCM and the Civil Code. Should the optional provisions of the laws and regulations conflict with evidently settled general customs and usages on the relevant financial markets, such customs and usages will prevail. To eliminate any doubts, however, it is hereby agreed that the provisions of the Agreement and these Business Terms and Conditions concerning investment services prevail over any such settled general customs and usages.