

## **TERMS AND CONDITIONS – IDB** (hereinafter the “Terms and Conditions”)

**42 Financial Services a.s.**, a company registered and doing its business in the Czech Republic, company ID-No (“IČO”): 284 92 722, VAT identification No. (“DIČ”): CZ28492722, with its registered office at 110 00 Prague 1, Klimentská 1216/46, Czech Republic, registered in the Commercial Register maintained by the Municipal Court in Prague under File No. B 19423 (hereinafter the “Broker”). Upon the authorization granted by the Czech National Bank, the Broker is authorized to render specific investment services and ancillary services, incl. operation of an organized trading facility (OTF) and operation of a multilateral trading facility (MTF).

### **Article 1 – Initial Provisions**

- 1.1. These Terms and Conditions determine, upon the agreement between the Broker and a third person in a contractual relationship with the Broker (hereinafter the “Client”), basic terms and rules for rendering investment services.
- 1.2. The Broker shall carry out – per Client’s orders (instructions) – activities aimed at concluding financial transactions (i.e. specific agreement type) and the Client is obliged to pay commissions to the Broker for such activities, subject to these Terms and Conditions.
- 1.3. Unless the parties agree or these Terms and Conditions state otherwise, the Broker is not entitled to enter into any transactions on behalf or on account of the Client, nor it is allowed to undertake any legal acts on behalf or on account of the Client.
- 1.4. The Broker shall not be an exclusive agent of the Client, whereas the Client may also use other third-party brokers for the purpose of the same activities. The Broker may also carry out the activities specified herein for other clients.

### **Article 2 - Definition of Terms**

- 2.1. For the purposes of these Terms and Conditions, the term “financial transaction” shall mean in particular the following transactions executed on interbank markets:
  - Cash deposits
  - Spot transactions in financial instruments (bonds, T-bills)
  - Transactions in derivatives (FRA, IRS, FX forwards, CCY basis swaps, OIS, options)
- 2.2. Activities of the Broker aimed at facilitating the conclusion of financial transactions shall mean active monitoring of the trading facility operated by the Broker, as well as efforts aimed at identifying a counterparty that would accept, without reservation, terms and conditions of financial transactions proposed by the Broker in line with instructions given by the Client.

### **Article 3 - Parties' Obligations**

- 3.1. The Broker is obliged to:
  - perform all activities related to the agreement with the Client honestly, with due professional care, and in good faith and safeguard the Client's interests;
  - accept and comply with Client’s orders;
  - keep the Client up-to-date regarding all necessary information of which the Broker learns in connection with the performance of its duties and which are related to its activities under the agreement with the Client;
  - carry out monitoring of the trading facility operated by the Broker and – per Client’s instructions – look for suitable counterparties via the facility for the purpose of concluding financial transactions;

- in case a counterparty is found, which is willing to accept, without reservation, the terms and conditions of the financial transaction proposed by the Client, inform such counterparty about the trade name of the Client, as well as any and all material terms and conditions of the financial transaction so that the counterparty is able to verify its credit lines and other limits (as appropriate) specified within such counterparty's internal regulations;
- immediately inform the Client about the counterparty's trade name so that the Client is able to verify its credit lines and other limits (as appropriate) specified within its internal regulations;
- provide the counterparty and the Client with any other material information and materials available to the Broker (e.g. contact details) that might be necessary for the counterparty and the Client to enter into the given financial transactions; and
- the Broker shall not disclose any information received from the Client in the course of its activities to any third party without the Client's prior consent – except for notifications given pursuant to these Terms and Conditions – and shall not use such information for its own benefit or benefit of any third party, if it contradicts interest of the Client. This obligation shall also survive the termination of contractual relationship between the Broker and the Client.

### 3.2. The Client is obliged to:

- submit orders to the Broker only via agreed telephone number(s) or connections through the Reuters / Bloomberg trading systems;
- modify or cancel any orders solely via agreed telephone number(s) or connections through the Reuters / Bloomberg trading systems;
- verify credit limits or any other limits, as appropriate, immediately after the Broker notifies the Client of the trade name of the counterparty identified for the purpose of the given financial transaction;
- provide the Broker with any and all information necessary for its activities in a due and timely manner;
- provide the Broker with any necessary assistance required in the course of its activities; and
- pay the agreed commission to the Broker for any financial transactions concluded with counterparties procured by the Broker in a due and timely manner.

3.3. The Client is not required to execute any financial transactions with a counterparty procured by the Broker. The Client shall, without any undue delay, notify the Broker about the fact whether the Client executed financial transactions with such counterparty procured by the Broker or not; such notification shall be given in writing and/or via email, to addresses of contacts specified below.

## Article 4 - Client's Orders

4.1. Any order of the Client submitted to the Broker via agreed telephone number(s) or via the Bloomberg system must include the following information:

- Financial transaction type;
- Client's (trading) position within a specific financial transaction;
- Financial transaction value date;
- Financial transaction amount and currency or amounts and currencies of such financial transaction, where this is required by the very nature of the financial transaction;
- Interest rate, price or exchange rate, at which a specific financial transaction is to take place; in case multi-factor identification of a financial transaction is by default required, then all such rates, prices, and exchange rates;
- and
- Financial transaction maturity, unless it is clear from the very nature of such financial transaction.

## Article 5 - Commission

- 5.1. Regarding the intermediation of executed financial transactions, the Broker shall be entitled to a commission in the amount specified in the current version of the Broker's Tariff Guide accepted by the Client. With regards to the specifics of the services provided by the Broker and the specifics of the financial market, the Client is acknowledged that the Broker may unilaterally modify (amend) the Tariff Guide as necessary. Each updated version of the Tariff Guide will always cancel and fully replace the immediately preceding version of the Tariff Guide. Any modification of the Tariff Guide shall always be communicated to the Client immediately, at least 30 calendar days before the planned effectiveness of the respective Tariff Guide modification, unless the Parties agree otherwise. In the event that the Client does not agree with the modification of Tariff Guide notified by the Broker, the Client may inform the Broker of their disagreement in writing or via email at any time prior to the effective date of the respective Tariff Guide modification, in which case the Parties start an amicable negotiation about the terms of the Tariff Guide without undue delay.
- 5.2. The Broker shall only be entitled to the commission, if the Client executes a financial transaction with a counterparty procured by the Broker.
- 5.3. The agreed commission comprises any and all costs of the Broker incurred in connection with the intermediation of financial transactions.
- 5.4. Any commissions for financial transactions executed during a calendar month between the Client and counterparties procured by the Broker shall be due and payable on the basis of an invoice issued by the Broker after the end of the respective calendar month. Each invoice shall be paid within 14 days from delivery of the invoice to the Client.
- 5.5. In case of the Client's delay with the settlement of its financial obligations (debts) towards the Broker based on their contractual relationship, the Broker shall be entitled to default interest in the amount of 0.05 % of any outstanding amount for each day of such delay (or any part thereof). The debtor's obligation to pay default interest arises irrespective of whether the creditor itself has duly met its contractual or statutory obligations. Default interest accrues and becomes mature and payable on a daily basis, requiring no demand notice from the creditor.
- 5.6. Any fee or other payment obligation under this agreement being subject to VAT is payable by bank transfer to the Broker's account (which the Broker has provably communicated to the Client for this purpose).

## **Article 6 - Communication and Contact Information**

- 6.1. All correspondence of the Client shall be addressed to the Broker as follows:

42 Financial Services a.s.  
 Praha City Center  
 Klimentská 1216/46, 110 00 Prague 1  
 Czech Republic

Contact person(s):  
 Jitka Blažaninová, tel.: +420 233 084 221  
 Petr Havlíček, tel.: +420 233 084 224

Tel.: +420 233 084 201

- 6.2. All correspondence of the Broker to the Client shall be sent to the address notified to the Broker. The Client is obliged to provide the Broker with their current and valid delivery address, phone number, email address, contact persons. These contact details need to be updated.
- 6.3. It applies that correspondence shall be deemed delivered:
  - if it was delivered in person or by a messenger and the receipt was signed
  - if it was sent as registered mail to the above addresses and the receipt was signed,

- if acceptance was denied, or if the correspondence was returned as undeliverable
- if it was provably sent by email to the email address provided

6.4. With respect to the regulatory obligations of the Broker, all phone and electronic conversations may be monitored and recorded.

#### **Article 7 - Duration of the contractual relationship and its termination**

- 7.1. The contractual relationship between the Broker and the Client is concluded for an indefinite period of time.
- 7.2. The contractual relationship may be terminated by an agreement or by a written notice of termination for any reason or without stating a reason. The notice period is 1 month and shall start to run on the first day of the month following delivery of the notice to the addressee.
- 7.3. Neither party may withdraw from the agreement or these Terms and Conditions, cancel the agreement or these Terms and Conditions, or otherwise unilaterally terminate it on other grounds than those enumerated in mandatory provisions of statutory law or those explicitly stated in these Terms and Conditions.

#### **Article 8 – General and Final Provisions**

- 8.1. The Client is aware of the fact that any and all financial transactions arranged by the Broker under these Terms and Conditions shall be executed by the Client on its own behalf and account. The Client is further aware of any and all risks associated with the execution and settlement of financial transactions with third parties.
- 8.2. The Client is aware of the fact that the Broker shall not be liable for the partner's creditworthiness or their ability to fulfil their obligations.
- 8.3. The Client is aware of the fact that with respect to the specifics of the services provided by the Broker and the specifics of the financial market, the Broker may unilaterally modify (amend) these Terms and Conditions as necessary. Each updated version of these Terms and Conditions will always cancel and fully replace the immediately preceding version of these Terms and Conditions. Any modification of these Terms and Conditions shall always be communicated to the Client immediately, at least 30 calendar days before the planned effectiveness of the respective modification, unless the Parties agree otherwise. In the event that the Client does not agree with the modification of the Terms and Conditions notified by the Broker, the Client may inform the Broker of their disagreement in writing or via email at any time prior to the effective date of the respective modification, in which case the Parties start an amicable negotiation about the terms of the Terms and Conditions without undue delay.
- 8.4. The rights and obligations of the parties under the agreement and these Terms and Conditions shall always be preferentially interpreted according to the literal meaning of each individual provision thereof.
- 8.5. Customary business practices, whether observed generally or only in the given industry, shall be given no consideration.
- 8.6. The contractual relationship between the Broker and the Client as well as these Terms and Conditions shall be governed by the laws of the Czech Republic, in particular the Civil Code. The Czech courts shall have an exclusive jurisdiction over all disputes between the parties arising from their contractual relationship. The application of the UN Convention on Contracts for the International Sale of Goods, including the Convention on the Limitation Period in the International Sale of Goods, as well as the application of the conflict-of-law rules contained in the Act No. 91/2012 Coll., the International Private Law Act, is hereby excluded.
- 8.7. The contractual relationship between the Broker and the Client and all information and documents related to it, including the information and documents provided by the parties in the negotiation of the agreement are confidential (hereinafter the "**confidential information**"). The parties undertake not to disclose the confidential information to any third party or to use them in conflict with its purpose without the prior written consent of the

other party, and they undertake to adopt such technical, organizational and other measures as are necessary to prevent unauthorized use or disclosure of the confidential information. Without the prior written consent of the other party, confidential information may only be given in cases where such disclosure is required by law or by the competent public authority, or where confidential information has already been public for a reason other than a breach of this agreement. Without the prior written consent of the other party, the confidential information may also be provided (i) to any third party with which any of the parties hereto forms a group of companies (*concern*), (ii) to statutory and other bodies, managers and employees of the parties, and (iii) advisors of the parties, provided that the parties ensure that each such advisor will protect and treat the confidential information under the same conditions as those laid down herein.

- 8.8. Neither party shall be entitled to assign any receivable or its part, which was established on the basis thereof, to a third party without the prior written consent of the other party. None of the parties shall be entitled to assign its rights and duties hereunder or their part to a third person without the prior written consent of the other party.
- 8.9. The Broker's obligation to compensate the Client for damages that could not have been reasonably foreseen at the time of conclusion of the agreement is hereby excluded. The Broker's obligation to compensate the Client for non-material injury within the meaning of Section 2971 of the Civil Code shall also be excluded. Unless agreed otherwise by the parties, compensation for damage or injury caused by a failure to meet the obligations hereunder shall be rendered in money.