

## CATALOGUE OF CONFLICTS OF INTERESTS

### 1. General Provisions

- (a) The Bank issues this Catalogue of Conflicts of Interests with reference to clause 14.3(f) of the Business Conditions of PPF banka a.s. for Investment Services (the “**Conditions**”).
- (b) Capitalised terms and expressions used in this document have the meaning specified in the Conditions. The rules of interpretation under the Conditions also apply to the provisions of this document. This document is an Investment Document.

### 2. Possible Types of Conflicts of Interests

The Bank has identified the following possible types of conflicts of interests in relation to the Investment Services provided:

#### 2.1 Receiving and transmitting Orders concerning Investment Instruments

##### 2.1.1 Conflict between the Interests of Clients

- (a) In connection with the Investment Service of receiving and transmitting Clients’ Orders conflicts between the interests of different Clients may occur. A situation where the Bank receives Orders with identical parameters from different Clients may occur.
- (b) The Bank eliminates this conflict of interests by systematically receiving and transmitting Orders from Clients on the basis of the time priority and executes Orders in strict compliance with the rules for executing orders set forth in the Conditions.

##### 2.1.2 Conflicts of Interests in relation to the Investment Instruments Offered

- (a) A conflict of interests may also occur where the Bank offers the Client an Investment Instrument or receives and transmits a Client’s Order concerning an Investment Instrument issued (i) directly by the Bank, (ii) an issuer in PPF Group, (iii) a company that has appointed the Bank to distribute such Investment Instruments, or (iv) a company with which the Bank is in another type of relationship (e.g. a client who is a borrower of the Bank).
- (b) The Bank avoids this conflict of interests by strictly adhering to the rules for executing Orders and by the organisational, personnel and system separation of the individual organisational units of the Bank. This conflict of interests cannot be effectively avoided at all times and the Client is informed of this fact in advance.

#### 2.2 Executing Orders Concerning Investment Instruments on behalf of Clients

- (a) The same types of conflicts of interests as those referred to in paragraph **Chyba! Nenalezen zdroj odkazů.** hereof may occur when executing Orders. In addition to these conflicts of interests, another conflict of interests may occur where the Client’s Order is executed from the Bank’s own book. This is a conflict of interests that cannot be effectively prevented and the Bank does not consider it to be a material conflict of interests able to affect the Client adversely.
- (b) The Bank avoids this conflict of interests by the organisational, personnel and system separation of dealing on the Bank’s own account from dealing on behalf of Clients. In addition, the Bank also adheres to the rules for executing Orders set forth in the Conditions when executing Clients’ Orders from the Bank’s own book.

#### 2.3 Dealing in Investment Instruments on Own Account

- (a) Some of the conflicts of interests described in paragraphs 2.1 and 2.2 hereof may occur in providing the Investment Service – dealing on own account.

- (b) When dealing on own account, there may also be a conflict between the interests of the Bank and of the Client making Transactions or Derivative Transactions identical to those made by the Bank on its own account.
- (c) This conflict of interests is addressed by the organisational, personnel and system separation of dealing on the Bank's own account from dealing on behalf of the Client.
- (d) Only some Transactions on the Bank's own account with specific types of Investment Instruments are executed in the Bank by a department that also executes Transactions for the Bank's Clients. In these cases the Bank has introduced internal rules that mitigate such conflict of interests. The Bank monitors compliance with these rules.

#### **2.4 Underwriting and Placing Investment Instruments (on a Firm Commitment Basis or without a Firm Commitment Basis)**

- (a) When underwriting or placing Investment Instruments, there is a conflict between the interest of the Client and that of the issuer where the Bank represents both interests. This conflict of interests may be further exacerbated by a conflict between the interest of the Client and the interest of the Bank, as the Bank's motivation is the placement of the issuer's Investment Instrument while concurrently owing an obligation of due professional care to the Client. The conflict of interest arising from the Bank's motivation to place the issue of the Investment Instruments is one that the Bank cannot effectively eliminate, and shall inform the Client thereof.
- (b) Within its organisational structure, the Bank addresses the conflict between the interests of the Client and of the issuer by separating the departments/positions handling the services to the issuer and the manufacturing of investment products from the departments serving the Client (departments accepting orders from Clients and departments dealing on behalf of Clients). In addition, the Bank also informs the Client about this fact and the Client can decide whether or not he will use the Bank's services under such circumstances.
- (c) In addition to the above cases, a specific conflict of interests may occur in a situation where the Bank or a PPF Group company is the issuer (see also paragraph 2.1.2 above). This is a conflict of interests that the Bank cannot effectively eliminate, and shall inform the Client thereof.

The Bank issues this document with effect from 1 October 2020.