

Client Instruction Prior to the Provision of Investment Services

This information is being made available to the Client based upon the Czech Capital Markets Act (Act No. 256/2004 Coll., as amended - the "Act"), European Directive 2014/65/EU on markets in financial instruments ("MiFID II"), Commission Delegated Regulation (EU) 2017/565 supplementing MiFID II as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of the above-mentioned Directive (the "Regulation"), and the relevant measures of the Czech National Bank (ČNB).

Information about 42 Financial Services a.s. ("42FS")

Basic data: 42 Financial Services a.s.
with its seat at Klimentská 46, 110 02 Prague 1, ID No. 284 92 722
entered in the Commercial Register maintained by the Prague Municipal Court in
Section B, File No. 19423

Contact data: +420 233 084 201
E-mail: info@42fs.com
Reuters: FTFS
LEI: 3157001000000050826
MIC: FTFS

42FS hereby represents that it holds a securities trader (investment firm) license under the Act which was issued by the Czech National Bank with its seat at Na Příkopě 28, 115 03 Prague 1, on 15 November 2011, Ref. No. 2011/12955/570.

Financial market supervision

The supervisory authority overseeing the activities of 42 FS is the Czech National Bank (Česká národní banka - ČNB).

Contact details: Česká národní banka, Na Příkopě 28, 115 03 Prague 1, phone No. 224 411 111, www.cnb.cz, hotline (intended for the submission of complaints in particular): 800 160 170.

License to engage in financial market services

The activity of 42FS consists primarily of the following:

- Operation of an OTF

42FS is licensed to provide the following core investment services:

- acceptance and placement of orders for investment instruments,
- execution of orders for investment instruments on the account of Clients,
- management of Client assets,
- investment advisory services concerning investment instruments,
- operation of a multilateral trading facility,
- operation of an organized trading facility,
- flotation of investment instrumentation without underwriting obligations.

42FS is also licensed to provide the following non-core investment services:

- advisory services concerning capital structure, industry strategy, and related issues, as well as advice and services concerning the transformation of companies or the transfer of enterprises (corporate finance),
- investment research and financial analysis,
- foreign exchange services in connection with the provision of investment services,
- services related to the subscription of investment instruments.

To the extent that 42FS provides investment advisory services, these services are always strictly rendered independently. 42FS does not trade on its own account. Unless agreed otherwise with the Client, 42FS does not provide regular assessments of the suitability of recommended financial instruments.

Communication

All communication between 42FS and the Client, including written documents and other notices, shall be held in Czech and/or English.

The specific mode of communication, especially as regards the dispatch and receipt of orders concerning individual investment services, is set out in the relevant agreement. When procuring transactions, 42FS must abide by the orders of the Client, which the Client shall deliver to 42FS in such manner and on such terms as agreed in the relevant agreement and in the general terms and conditions for the provision of securities investment services (the "Agreement"). 42FS processes orders following the chronology in which they were received. The Client may place orders with 42FS via phone and/or in writing, depending on what was agreed between 42FS and the Client. The mandatory contents and prerequisites of orders (whether given over the phone or in writing) are stipulated by the Agreement and by the customs of trade for the given financial instrument.

The primary form of communication in business dealings between 42FS and the Client is based on personal contact.

Use of tied agents

42FS makes no use of tied agents in providing investment services.

Transaction reporting

42FS will use a durable medium to provide the Client with a report on the execution of transactions – order confirmations. The confirmations contained on the durable medium confirm that the order was carried out no later than on the first business day after it was given (or, if 42FS itself receives the confirmation from a third party, then no later than on the first business day after confirmation was received from the said third party). Upon request, 42FS will provide the Client with information as to the status of their order.

In addition, 42FS will report to the Client at least once per year on the costs and fees related to the provision of services.

Protection of Clients' assets

42FS's exclusive core activity is the operation of an organised trading facility. For this reason, 42FS does not dispose of cash funds or investment instruments of the Client when providing investment services, nor does the company trade on its own account.

Protected clients within the meaning of the Capital Markets Act are entitled to compensation for assets which are removed from their reach, in such scope and on such terms as set out in the Capital Markets Act and from the Guarantee Fund. 42FS makes annual payments into the Guarantee Fund as set out in the law.

Conflicts of interest

The protection of its Clients' interest is of prime importance to 42FS, which is why 42FS has adopted a policy for protecting Clients in the event of a conflict of interest consisting of procedures and reviews with the following primary objectives:

- reveal potential causes for a conflict of interest and address these properly (including cases in which orders, activities, or services cannot be carried out because the conflict of interest cannot be otherwise eliminated);
- pursue all business with a view to the Clients' best interest while maintaining strict secrecy across all areas of activity of 42FS if they may give rise to an (if only potential) conflict of interest.

42FS believes it proper to strive for an adequate level of prudence and care, so that it will always act free from bias with respect to any potential conflict of interest and avoid the risk of damaging interests of its Clients. The following measures in particular were adopted with this goal in mind:

- "Chinese walls" between departments where conflicts of interest may potentially arise. Chinese walls serve to ensure the physical and organizational separation of departments where conflicts of interest may arise and thus prevent the dissemination of internal or sensitive information or the use of such information in ways which may cause harm to the integrity of the financial markets or the interests of Clients;
- Procedures designed to identify and prevent conflicts of interest;
- Rules of compensation for the staff of 42FS which disincentivize any behaviour on the part of 42FS employees that could create a conflict of interest and ultimately cause damage to the market or to Clients;
- Procedures and rules governing the trading of employees on their own account;
- Rules for the application of related fees, commission fees, or non-financial benefits.

In those cases in which the adopted procedures prove insufficient to address an actual or imminent conflict of interest, 42FS may refuse to engage in the activity which leads to the conflict of interest. Provided that the provisions on confidentiality allow for it, 42FS shall inform the Client or the potential Client (to the extent admissible under the law) of further details as to the causes and character of the conflict of interest, so as to put them into a position in which they may make an informed decision as to whether they wish to proceed with the transaction involving 42FS.

These Client protection principles seek to ensure the observance of 42FS's tightened standards of professional conduct. 42FS regularly reviews its internal policies and other rules and reflects changes to the legislative environment or to its own business operations.

42FS always acts such as to respect the integrity of markets and to give preference to the Clients' interests. In line with this rule, we have adopted additional organizational and substantive rules which are fleshed out in internal policies, i.e., in particular, provisions concerning the acceptance and communication of Client orders.

If you would like to find out more about how 42FS approaches conflicts of interest, please see our Conflict-of-Interest policy which is posted on our website.

Incentives

When providing investment services, 42FS neither accepts nor provides any financial consideration or other (financial or non-financial) benefit (the "**Incentive**") which could result in a breach of the conflict-of-interest rules.

Information on execution venues

42FS's primary activity is the operation of an organized trading facility which in itself qualifies as an execution venue within the meaning of the Act and related rules. 42FS thus principally does not carry out Client orders in

other execution venues.

Handling of client's complaints

42FS is liable vis-a-vis its Clients for the duly and timely discharge of all its contractual agreements. 42FS's obligation is deemed fulfilled on time if the service was arranged for in accordance with the Agreement and within the time periods set out in the legal regulations. If the Client believes that 42FS did not fulfil its contractual obligations, it may bring a complaint before 42FS, which is to be delivered in writing to the following address: 42 Financial Services, Klimentská 46, 110 02 Prague 1, or via e-mail to compliance@42fs.com or communicated over the phone at +420 233 084 201. 42FS formally takes note of each such complaint, which will be handled in accordance with the internal policy of 42FS. 42FS will notify the Client of the outcome within 14 business days.

Information on agreements on the provision of investment services ("Agreement")

Agreements are always only made between 42FS and the Client. The Agreement is governed by Czech law. The Parties may cancel the Agreement by written notice. Disputes arising from the Agreement shall be heard and decided by the general courts; no arbitration clause has been agreed. 42FS alerts its Clients to the fact that the information contained in the annexes to the Agreement may change during the life of the Agreement. 42FS will update the information contained in this document as needed, whereas the latest version is always publicly accessible at www.42fs.com.