Citfin
S citem pro finance

Annex to Framework Agreement: Product sheet: Futures

The document contains information or refers to other documents; its purpose is to specify in more detail the terms and conditions and method of performance of the agreement, the subject of which is the provision of services, in particular the documents entitled General Business Terms ("**GBT**") and Technical Information, both available at www.citfin.cz

This document contains the information prescribed by law, about which Citfin is obliged to inform the Client when providing the Services pursuant to the Capital Market Act. Upon request, Citfin shall provide the Client with the information under the Capital Market Act in paper form.

Unless otherwise specified, consult the GBT for the definition of capitalized terms.

Citfin Data	**Citfin – Finanční trhy, a.s.**, Radlická 751/113e, 158 00 Prague 5, Company ID: 25079069, incorporated in the Commercial Register maintained by the Prague City Court, Section B, Insert 4313 ("**Citfin**"). Citfin is a trading company authorised to provide Futures Trading on the basis of a securities dealer licence under the Capital Market Act.
Method of communication and provision of information	Information is provided in the manner and within the time limits set out in the GBT. **Important contacts:** *Sales Department* Information on services provided by Citfin, concluding and amending of contracts Phone: + 420 234 092 011 Email: obchod@citfin.cz *Dealing Department* Concluding trades, quoting current exchange rates, forecasting anticipated trends in foreign exchange markets Phone: + 420 234 092 020 Email: dealing@citfin.cz *Payment Settlement Department* Executing outgoing and incoming payments Phone: + 420 234 092 322 Email: platby@citfin.cz *Call Centre* Submitting payment orders through Phonebanking, technical support for Internet banking, Citfin API and Client API services Phone: + 420 234 092 333 Email: info@citfin.cz Green Line: +420 800 311 010 Reception desk: +420 234 092 000 Citfin website: www.citfin.cz Citfin, FT data box: 7s2n782 Clients also use the BankServis application as a means of communication with Citfin, which serves as a Durable Medium. The Framework Agreement is concluded in the Czech language. Communication is also carried out in the Czech language.
Information on supervision	Citfin is regulated by the Czech National Bank, Na Příkopě 28, 110 00 Praha 1, as the supervisory authority.
Protection of Client Assets	Information on the protection of the Client assets is provided in the GBT.
Conflict of interest	Information on conflicts of interest and their prevention is provided in the GBT.
Client categorization	Citfin treats all of its Clients as non-professional Clients, unless otherwise expressly agreed with the Client. Non-professional Clients are entitled to the highest level of protection. Upon meeting the conditions set out in the Capital Market Act, the Client may request to be classified in a

	different category.
Client Compensation System	Citfin is a participant in the Securities Dealers Guarantee Fund, which operates a guarantee system from which compensation is paid to Clients of a securities dealer that is unable to meet its debts toward them. More information is available at www.citfin.cz
Investment services and investment instruments provided	**Citfin provides the following investment services:** a) receiving and giving of instructions concerning investment instruments; b) executing instructions concerning investment instruments on behalf of the Client; c) trading in investment instruments on behalf of the Client. **General information on investment instruments:** a) Swaps A swap is an over-the-counter trading agreement between two or more parties to exchange future periodic payments on an underlying asset over a specified period of time. The most common swaps are interest rate swaps, currency swaps, and an agreement to exchange the principal of two currencies and the interest costs associated with them. The yield is determined by the difference between the fixed and the current value of the underlying asset/exchange rate/interest rate, etc. The potential loss is not limited in advance. b) Forwards A forward is an over-the-counter trading agreement between two or more parties in which they agree to purchase or sell an underlying asset under predetermined conditions at a specified time in the future. The yield is determined by the difference between the price agreed in the agreement and the current price of the underlying asset. The buyer benefits if the current price is less favourable than the execution price. The potential loss is not limited in advance. **Information on the Futures offered by Citfin to Clients** Citfin provides the following trade types: a) *Swap* refers to selling or buying one currency in exchange for another and subsequently repurchasing or reselling it after a certain period of time at an exchange rate agreed beforehand. A Swap is used to overcome a temporary liquidity shortage in one currency while simultaneously creating a liquidity surplus in another currency. b) *Forward* refers to selling Foreign Currencies at a fixed exchange rate, with the trade settlement taking place at an agreed time (at the earliest in three days and at the latest in one year unless agreed otherwise). These Futures are offered by Citfin in the following variants: a) *Standard Currency Forward* refers to a financial derivative that can be used to hedge an exchange rate for a specific date in the future. b) *Window Forward* refers to buying or selling foreign currencies at a fixed exchange rate, with the trade settlement taking place at a 2 to 60 day interval. A window forward can be opened for up to one year unless agreed otherwise. c) *Par Forward* is a series of currency forwards with different settlement dates for the same pair and a uniform exchange rate. A Futures contract can be negotiated for up to one year (unless agreed otherwise) for a specific settlement date. d) *Par Window Forward* refers to a series of currency forwards with different settlement dates for the same currency pair and a uniform exchange rate, where a window from 2 to 60 days can be chosen as the settlement interval for each futures contract. Such a futures contract can be negotiated for up to one year unless otherwise agreed. e) *Currency Forward30* refers to buying or selling foreign currencies at a fixed exchange rate, with the Futures contract settlement being within an agreed time frame of thirty days. This financial derivative is offered without an advance payment by the Client. f) *Currency Swap* refers to selling or buying one currency in exchange for another and subsequently repurchasing or reselling it after a certain period of time at an exchange rate agreed beforehand. A currency swap overcomes any temporary liquidity shortage in one currency while there is excess liquidity in another currency. g) *Currency Swap30* is selling or buying one currency in exchange for another and subsequently repurchasing or reselling it within an agreed period of time of up to thirty days. A currency swap30 is used to overcome a temporary liquidity shortage in one currency while simultaneously creating a liquidity surplus in another currency.
Risk information	Trading in investment instruments is associated with risks that may affect the profit or loss of each investment. Investing in investment instruments is not for everybody and, with any

investment, there is the probability of not achieving the anticipated return or even losing part or even all of the amount invested, even in the case of so-called “secured" products. Some investment instruments carry the risk of additional financial liabilities. As a general principle, the greater the risk, the greater the potential profit, but also the loss. As a rule, the risk decreases with the investment period, the so-called investment horizon. However, no investment horizon guarantees a risk reduction to zero. Rates of return from investment instruments achieved in the previous period do not guarantee future returns. The overall risk of investments can be reduced by investing in different types of investment instruments. Trading in investment instruments using a leveraged method is associated with significantly higher risk. Special risks may also be associated with the tax consequences of transactions in investment instruments. You are solely responsible for meeting your investment tax obligations. We recommend that you never buy investment instruments when you do not fully understand their conditions and risks, including the extent of potential loss.

Common risks associated with investing in investment instruments are:

a) *Credit risk* (issuer risk or counterparty risk) — risk that the counterparty will default on its debt (inability to pay); in the extreme case, there is a risk of losing the entire investment;

b) *Settlement risk* — risk that the negotiated transaction will not be properly settled (e.g., the purchase price will not be paid or securities will not be delivered);

c) *Market risk* — threat of loss in the event of an adverse change in market conditions, in particular interest rate (interest rate risk), share prices (equity risk), commodity prices (commodity risk), exchange rates (exchange rate or currency risk); market risks also include:

- Liquidity risk — there is a risk of loss if the investment instrument cannot be sold or purchased at the selected moment, or the transaction can only be realized at a disadvantageous price; and
- Volatility (Fluctuation) risk — risk of short-term or long-term price fluctuations (poor timing of investment can lead to significant losses);

d) *Operational risk* — risk of loss in the event of human errors, frauds or deficiencies of information systems;

e) *Legal risk* — threat of loss in the event of unenforceability of contract terms;

f) *Terminology risk* — different terms are interpreted differently in different financial markets and in some cases you may get an inaccurate picture of the true nature of an investment instrument;

g) *Inflation risk* — it affects the real return of your investment instruments; a high inflation rate can cause you to realize lower returns or even losses;

h) *Global risk* — risk of a change in the value of investment instruments as a result of a global downturn in economies and financial markets;

i) *Sectoral risk* — risk of a change in the value of investment instruments in the event of the given sector decline;

j) *Political risk* — risk of a change in the value or convertibility of investment instruments in the event of political situation change;

k) *Derivates risk* — their value depends on the price of the underlying assets; some derivative investment instruments use leverage, i.e. their value depends on an increase or decrease in the price of the underlying assets according to the agreed ratio, therefore even a small change in the value of the underlying assets may cause a significant decrease in the value of the investment instrument or even a loss of the entire investment.

Risks regarding Futures (trading)

The risk arising from Futures trading is mainly related to the movement of the current exchange rate to the Client’s disadvantage (a market exchange rate is more convenient for the Client than a Futures exchange rate), which may result in a loss, even above the advance deposited.

Risks regarding Swaps

For swap transactions, this is an exchange of assets (in the case of foreign exchange swaps, currency swaps for a certain period of time; however, the price remains at 100%), rights or obligations (in the case of interest swaps, it is an exchange of fixed interest rate for variable and vice versa) for a certain period of time. There is a risk that you will be able to buy or sell the exchanged assets at a (much) more favourable or unfavourable price at the time of its maturity, or that the interest earned or paid will be lower/higher than you expected.

Risks regarding Forwards

For forwards (such as forward rate contracts), you make a commitment to buy or sell certain quantities of the underlying commodity or financial instrument in a given period or during a

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<td>specified period at a fixed price, or to fix an interest rate for a certain period of time. The risk is that you may be able to acquire or sell the underlying commodity or financial instrument (such as Foreign currencies) at a much more favourable price than the one set out in the contract you have concluded. The potential loss is limitless.</td>
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<td>Target market</td>
<td>Citfin determines the target market based on the categories listed below. Whether a particular Client falls within the defined target market is assessed on the basis of a completed questionnaire.

Target market for the Futures provided by Citfin

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<tr><td>Client type:</td><td>Non-professional and professional client</td></tr>
<tr><td>Client knowledge and experience:</td><td>An informed Client has an understanding of specific risks associated with investment instruments.</td></tr>
<tr><td>Financial situation and ability to bear a loss:</td><td>The Client is able to bear a loss in the amount of its investment.</td></tr>
<tr><td>Risk tolerance and compatibility of risk/return ratio of products:</td><td>Willingness to accept a higher level of risk; willingness to accept the loss of the entire investment.</td></tr>
<tr><td>Investment objective:</td><td>Growth with the risk of losing the entire investment.</td></tr>
<tr><td>Sustainability objectives:</td><td>The Client is not focused on sustainability objectives.</td></tr>
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<td>Information on the execution of orders</td>
<td>General guidelines for executing orders

When executing an order, Citfin bears the following in mind:

a) Nature and features of the investment instrument to be traded

b) Nature of the Client and particularly the classification into one of the established categories

c) Nature of the order to be executed by the Client

Factors influencing how orders are executed depend on the investment instrument or service provided, where the factors by descending importance are:

a) Price that can be achieved at the trading venue

b) Total amount of fees charged to the Client

c) Speed at which the order can be executed

d) Probability of executing the order

e) Volume of the order

f) Conditions for settling the transaction

g) Type of order

h) Any other factor that is significant in the Client's order

Considering the importance of these factors in executing a Client’s order, Citfin has established as a rule for both professional and non-professional Clients to take an individual approach, in principle, toward the execution of each individual order.

If Citfin executes an order given by somebody not a professional Client, the order will be executed on the best terms with respect to total performance, to be determined from the price of the investment instrument and costs associated with executing the order, including any expenses incurred by the Client directly related to execution of the order.

Should there have been a special agreement between the client and Citfin on how the order would be executed, including the terms and conditions for execution of the order, that agreement will prevail over the Rules for executing client orders.

As a general rule, Client orders are executed as they are received, unless it conflicts with instructions specifically given by a client, or the nature of the Client's order or prevailing market conditions make executing it impossible or impractical, or a different procedure is required in the Client's interest.

If there are significant difficulties in executing an order and were the order to come from a Client that is not a professional Client, Citfin will immediately advise the Client of these difficulties.

Citfin is obliged to provide its Clients that are not a professional Client with adequate information about the executed order without undue delay after the order has been executed (and no later than the next business day after execution of the order).</td>
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	Were a Client who is not a professional Client, in accordance with the Framework Agreement and/or the General Business Terms, to incur extraordinary liabilities, in particular through leverage trading, Citfin will communicate to the Client losses that have exceeded the limit agreed beforehand without undue delay, but not later than the end of: a) the business day in which the limit has been exceeded; or b) the next business day, if the limit is exceeded on a non-business day. Citfin is required to inform a Client at least once a calendar year about the status of funds and investment instruments the Client owns. The information must include: a) data identifying the investment instrument or the funds; b) amount and price of investment instruments or funds balances; c) extent to which the Client's assets are used for transactions involving the financing of investment instruments; d) proportion of any yields the Client has received from the use of assets or part thereof for transactions involving the financing of investment instruments and the basis on which they were accrued. **Method of determining exchange rate and settling Client orders** The best possible exchange rate in Currency Futures (forwards, swaps) is determined by Citfin, at a Client's request, checking the current exchange rate for the requested currency with Reuters as its information source, alternatively with other information sources, and offers the Client specific terms and conditions for the transaction, according to the current exchange rate, which Citfin can conclude with the Client on its own account at any moment.
Service-related costs and fees	The Futures are provided free of charge. Based on the Framework Agreement, the Client is obliged to provide Deposits for the execution of the Futures in accordance with the GBT.
Interest on funds	Funds maintained by Citfin for the execution of the Futures shall not bear interest unless otherwise agreed in writing. If the funds are interest bearing, interest is credited to the Client's Payment Account in the amount and manner agreed between Citfin and the Client.
Options to amend and terminate the Framework Agreement	Pursuant to the Framework Agreement and the GBT, Citfin is entitled to amend the Framework Agreement and the GBT in accordance with the procedure set out in the Framework Agreement and the GBT. The Framework Agreement is concluded for an indefinite period of time. The Client and Citfin are entitled to withdraw from the Framework Agreement in accordance with the procedure set out in the Framework Agreement and the GBT.
Applicable law and settlement of disputes	The applicable law and the method of dispute settlement as well as out-of-court dispute settlement are set out in the Framework Agreement.