

**MEASURES TO PREVENT CONFLICT OF INTEREST
AND MARKET MANIPULATION**

**Clause 1
Initial Provisions**

WOOD & Company Financial Services, a.s. ("WOOD & Co.") offers various types of investment services to a wide range of Clients and thus cannot exclude that a conflict of interest may arise in the course of provision of its services.

WOOD & Co. determines the rules for management of conflict of interest especially in its Policy for Management of Conflict of Interest in Provision of Investment Services (the "**Policy**") which regulates the types of conflicts of interest that may arise in the course of provision of investment services between:

- WOOD & Co., including its senior officers, employees and tied agents, and its Clients;
- WOOD & Co., its controlled and controlling entities and their senior officers and tied agents, and its Clients;
- individual Clients;
- investment brokers, who receive and transmit to WOOD & Co. the instructions to purchase or sell Investment Instruments, and their clients.

Conflict of interest usually arises in situations when WOOD & Co., the above-stated persons or persons with special relationship to WOOD & Co. get into a position in which WOOD & Co. or such person:

- may gain financial benefit or avoid financial loss to the detriment of the Client;
- has a different interest than the Client in the outcome of the services provided to the Client or the outcome of a trade executed in the name of the Client;
- is motivated to prefer the interest of one Client over the interest of any other Client;
- carries out its business activities in the same area as the Client;
- receives or provides an incentive (see below) from or to any other person than the Client in relation to services provided to the Client, which incentive does not represent the usual consideration for the services provided and therefore might influence the procedures applied in the course of provision of such services.

Where the organisational and administrative measures do not allow to manage conflicts of interest in a manner which will sufficiently guarantee that the Clients will be protected from potential harm, the Company will disclose the general information and sources of such conflicts to its Clients prior to the provision of services. Such information must be provided in a manner which will allow the Clients to make a qualified decision about the required services.

The senior management supervises the compliance with the applicable regulations on conflicts of interest and actively participates in minimizing conflicts of interest.

The Policy on Management of Conflicts of Interest and the related internal guidelines and procedures of WOOD & Co. were designed in compliance with the requirements of (particularly) the following regulations:

- Directive 2014/65/EU of the European Parliament and of the Council, on Markets in Financial Instruments;
- Regulation (EU) of the European Parliament and of the Council No. 596/2014, on Market Abuse;
- Commission Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council regarding organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- Act No. 256/2004 Coll., on Business Activities on the Capital Market, as amended; and
- Decree No. 308/2017 Coll., on Detailed Regulation of Certain Rules for Provision of Investment Services, as amended.

Clause 2

Identification of the Risk of Conflict of Interest

WOOD & Co. continuously monitors all its activities in view of potential conflicts of interest between WOOD & Co., including its senior officers, tied agents, employees and persons with special relationship to WOOD & Co., or the senior officers, tied agents and employees of an entity controlling or controlled by WOOD & Co. or controlled by the same entity as WOOD & Co., and its Clients, or between its individual Clients.

Employees of WOOD & Co. are obliged to actively identify conflicts of interest, and immediately notify any identified impending or existing conflicts of interest to the Compliance Department. Employees of WOOD & Co. are informed about the characteristic features of conflicts of interest at regular trainings organized by WOOD & Co.

The internal auditor of WOOD & Co. states in the performed audits, at least once a year, whether the measures adopted towards limitation of conflicts of interest are adequate and includes the outcome of the relevant audit in the written report presented to the management and to the Supervisory Board of WOOD & Co.

If the volume of an instruction given to WOOD & Co. by a Client significantly exceeds the usual volume of instructions, the brokers of WOOD & Co. will attempt to execute such instruction with professional care without unnecessary delay. However, in the course of execution of the above instruction, WOOD & Co. may receive an instruction of a significantly smaller volume for the same Investment Instrument, in which case the smaller instruction may be executed in the course of execution of the earlier larger instruction. The broker is obliged to always act with professional care towards both Clients and ensure the best execution in view of the attributes of any instruction.

On rare occasions, a portfolio manager exercising the activities of the Asset Management Department may be forced to decide and choose the individual Client/Clients for whom the trade in an investment instrument will be executed. The portfolio manager will be obliged to make such decision before the instruction is entered in the system. The portfolio manager must take into account the best interests of all Clients at any relevant moment, especially in view of their investment profile, investment objectives regarding the entrusted assets, the current situation of the Client's portfolio and the situation on the market.

On such occasions, the risk of conflict of interest is minimized by the fact that the portfolio manager must decide and choose the Clients for whom the trade will be executed prior to the entry of the instruction in the trading system, i.e. before the economic result of the trade is known. The activities of the Asset

Management Department are subject to regular controls by the Compliance Department and the Internal Audit Department.

The valid licence granted by the Czech National Bank authorises WOOD & Co. to trade on its own account as well as on the account of another party. Both the Company's trades on its own account and trades on the account of another party are executed by the Trading Department. The Trading Department is in compliance with any and all requirements stipulated by the applicable legal regulations and internal guidelines of WOOD & Co., i.e. among other things, its staff is divided into persons authorised to trade on the Company's own account and persons authorised to trade on the account of another party. The Company takes maximum care to minimize any mutual influence between those two groups of personnel. The activities of the Trading Department are subject to regular controls by the Compliance Department and the Internal Audit Department.

Trades on the Company's own account and trades on the account of another party are executed by different personnel. A broker who trades on the Company's own account does not trade on the account of another party, and vice versa.

The organisational structure of WOOD & Co. and its whole Group and the relations with third parties may occasionally cause occurrence of conflict of interest. In such cases, WOOD & Co. takes steps to ensure the best possible outcome for its Clients and to minimize conflict of interest. WOOD & Co. makes sure that the functions of individual employees within the Group do not overlap, i.e. that their duties within those functions do not cause conflict of interest. This applies not only to employment and other similar relationships, but also to positions created by appointment or attached to ownership interests. These circumstances are subject to regular controls by the Compliance Department and the Internal Audit Department.

The Rules of Organisation of WOOD & Co. include any and all measures imposed by the applicable legal regulations on the organisational structure of securities brokers in order to prevent conflict of interest.

Clause 3

Specific Measures to Prevent Selected Types of Conflict of Interest

Receiving and transmitting instructions regarding investment instruments

In the course of the services of receiving and transmitting of Client's instructions, conflicts of interest may arise between individual Clients. WOOD & Co. eliminates these conflicts of interest by always receiving and transmitting instructions of individual Clients on the basis of their priority in view of time, and by executing individual instructions strictly in accordance with its Strategy for Execution of Instructions under Best Conditions.

Receiving and transmitting Client's instructions regarding investment instruments issued directly by WOOD & Co. or by a member of the WOOD & Co. Group

This conflict of interest cannot be effectively prevented and the Client is informed about this in advance. A potential conflict of interest may also arise if WOOD & Co. transmits the instructions received from the Client to be executed by another member of its Group. The procedure for transmitting instructions and the persons to whom the instruction is transmitted are specified in the Strategy for Execution of Instructions under Best Conditions, the contents of which are known to the Client.

Executing instructions regarding investment instruments on the Client's account

In the course of provision of these investment services, the same conflicts of interest may arise as in case of the investment services of receiving and transmitting instructions regarding investment instruments. In addition to those, also other conflicts of interests may arise if the Client's instruction is executed from WOOD & Co.'s own account. This conflict of interest cannot be effectively prevented and WOOD & Co. does not deem it to constitute a material conflict of interest with adverse effect on the Client.

Trading in investment instruments on the Company's own account

In the course of trading on the Company's own account, conflicts of interest may arise between WOOD & Co. and a Client giving instructions to execute transactions which are identical to transactions executed by WOOD & Co. on its own account. This conflict of interest is resolved by separate trading on WOOD & Co.'s own account and on the Client's account on the level of organisation, personnel and trading systems.

Subscribing or placing investment instruments (to be subscribed or not to be subscribed)

There is a conflict of interest between the Client and the issuer in case of these investment services, and both of these interests are represented by WOOD & Co. This conflict of interest is further intensified by a conflict of interest between the Client and WOOD & Co., as WOOD & Co. is motivated to place the issuer's Investment Instrument while acting on behalf of the Client with professional care. The conflict of interest arising from WOOD & Co.'s motivation to place an issue of Investment Instruments is the type of conflict of interest which WOOD & Co. cannot effectively eliminate and will therefore inform the Client to this effect.

WOOD & Co. resolves this conflict of interest between the Client and the issuer within its organisational structure, which ensures that the prospect is prepared and services to the issuer are provided by a separate department independent of the department trading on the account of the Client.

Custody and management of investment instruments and the related services

There might be a conflict of interest between individual Clients in the course of provision of these ancillary investment services. WOOD & Co. prevents this potential conflict of interest by employing systems and internal work procedures to ensure that all Clients are treated equally.

Measures to prevent conflict of interest regarding provision of analyses

The essential information sources used to formulate recommended investment strategies are particularly Bloomberg L.P. and Reuters, the websites of the relevant securities issuers and their other official presentations, as well as information freely available on the Internet.

WOOD & Co. does not generally provide the issuers of Investment Instruments with recommended investment strategies, nor are the recommended investment strategies adjusted at their suggestions.

WOOD & Co. has no more than 5% interest in the registered capital of any issuer whose Investment Instruments are included in its recommended investment strategies, and no issuer has more than 5 % interest in the registered capital of the Company. As of this day, WOOD & Co. is a market maker for all share titles traded in the PRIME segment of the Prague Stock Exchange.

Within the last 12 months, WOOD & Co. has not acted as a manager of any public offer of Investment Instruments issued by the issuers included in its recommended investment strategies.

The fees of persons preparing recommended investment strategies are not directly derived from the trades executed by WOOD & Co.

Recipients of the recommended investment strategies issued by WOOD & Co. are advised to use other information sources in addition to the information provided by WOOD & Co.

WOOD & Co. may trade in the Investment Instruments included in its recommended investment strategies. WOOD & Co. usually issues recommended investment strategies with the time horizon of several months. It can therefore happen that the Company may, in a short-term horizon, sell those Investment Instruments which are recommended for purchase, or purchase those Investment Instruments which are recommended for sale. Therefore, both the time horizon of the recommended investment strategies and the time of the trade must be taken into account for assessment of the potential occurrence of a conflict of interest. If the investment objective of any trade executed by WOOD & Co. has a different investment horizon than the recommended investment strategy, WOOD & Co. does not deem such situation to constitute a conflict of interest.

Information about the relations between the individual levels of the currently effective recommended investment strategies and the shares of issuers included in the recommended strategies for the individual levels provided by the Company within the last 12 months of investment services of significant scope are available at www.wood.cz.