

## GENERAL INFORMATION TO CLIENTS OR POTENTIAL CLIENTS BEFORE PROVISION OF INVESTMENT SERVICES

Finax, o.c.p., a.s. (further referred to as the "Broker") is, under applicable Acts implementing the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on the financial instruments markets, (hereinafter referred to only as "MiFID II") and delegated committee regulation (EU) no. 2017/565 of 25 April 2016 supplementing Directive 2014/65 / EU of the European Parliament and of the Council regarding the organizational requirements and operating conditions for investment firms and defining terms for the purposes of that directive (hereinafter referred to as "the Regulation") is obliged, in accordance with and pursuant to MiFID II and the Regulation, to provide clients or potential clients with the general information necessary to enable the client or potential client to understand the nature and risks of the investment service and the specific type of financial instrument and subsequently take investment decisions responsibly. The Broker hereby also provides the information about the offered services and the contractual relationship with the Broker concerning the consumer protection requirements when providing financial services via means of remote communication. In the case of a pan-European personal pension product (PEPP), certain provisions (e.g. remuneration, contract termination) are regulated differently and are set out in the relevant key information documents (KIDs) for the PEPP product.

### 1. Basic information about the broker

Business name: **Finax, o.c.p., a.s.**

Address: **Bajkalská 19B, 821 01 Bratislava**

Company ID: **51 306 727**

Registered by: **Municipal Court in Bratislava III., Section: Sa, file no.: 6713/B**

Contact information for clients and potential clients:

Phone: **+421232447760**

E-mail: **client@finax.eu**

Web site: [www.finax.eu/en](http://www.finax.eu/en)

### 2. Language of communication with Finax, o.c.p., a.s.

2.1. The Broker uses in his business contacts the Slovak or English language preferably, also the client can get all necessary business documentation in Slovak or English language. The Client, in communication with the Broker, may use Slovak, English, or other language used by the Broker in the documentation, published on the Broker's website [www.finax.eu](http://www.finax.eu). In the case of provision of investment services, investment activities, and supplementary services in other member states based on the right to free provision of services without establishing a branch or with establishing a branch, the language of this member state can be used and business documentation is provided in the language of this state. Regardless of the aforementioned, in the case of oral communication the Broker, however, reserves the right

to communicate with the Client in Slovak or English language. In case of communication with the Broker's tied investment agent, the Client, for communicating through the tied investment agent, may use the language of the country where the tied investment agent operates.

### **3. Forms of communication**

3.1. The Broker uses the following communication forms at business contacts with the clients:

- (a) personal discussion,
- (b) fax communication,
- (c) delivery of documents by post,
- (d) e-mail communication,
- (e) services of electronic communication.

Application of the concrete communication form for sending and receiving instructions, sending and receiving confirmations about realized deals, and possibly other business documentation is governed by the relevant contract or by General Business Conditions or by other contractual documentation, that governs the rights and duties of the contracting parties at providing investment services, investment activities and supplementary services between the Broker and the Client.

### **4. Appropriate license of the Broker for provision of investment services and supervisory authority**

4.1. The Broker executes his activity based on permission granted by the National Bank of Slovakia, with registered office at Imricha Karvaša street 1, 813 25 Bratislava (further as „NBS“) on granting activities of the broker file NBS1-000-012-426, Act no.: 100-000-074-700 dated from 5.12.2017 as amended. The NBS acts as the supervisory authority over the activities of the Broker.

4.2. The Broker may provide all investment services, investment activities, and ancillary activities, which it has permission for. The subject of the provided services is portfolio management, including management of the assets, securities, and other financial instruments of the client, through the Broker, including their custody, management, and procurement of purchase and sale, as well as management of the client's account designated for operations related to portfolio management. Detailed scope of the investment services, investment activities, and other activities, which the Broker is authorized to provide to clients, as well as further information on the provided services, are available at [www.finax.eu](http://www.finax.eu).

### **5. Information about the usage of tied agents and financial agents**

5.1. The Broker informs his clients or potential clients that, under the relevant legislation, at the provision of investment services such as receiving and transmission of the client's orders

related to transferable securities and holdings in collective investment funds and securities of foreign entities of collective investing and at providing investment advisory services in relation to these financial instruments and their promotion based on a written contract it can use tied agents registered at the Register of agents conducted by the NBS in Slovakia or at the Commercial Register of tied agents conducted in other member state and financial agents to whom a license has been granted by the NBS or tied agents in another member state with the license of the market regulator of the member state. The updated list of financial agents in other member states can be found on the website [www.finax.eu](http://www.finax.eu)

## **6. Information on provided investment services**

- 6.1. The Broker provides to the Client adequate reports on provided investment services that contain, in particular, data regarding the total costs connected to the trading and services provided on the account of the client.
- 6.2. In the case of investment services, where the Broker receives the client's orders, the Client is generally informed of the transaction without any undue delay after the transaction (or after the Broker has received the third party information about the transaction). In the case of other services, the Broker provides the client with regular statements following applicable legislation. The range, frequency, and dates respectively, and their possible changes shall be stated in the relevant legislation and the Broker shall, in accordance with them, conclude specific conditions with the client in the contract according to his preferences, if the relevant legislation permits this.
- 6.3. The Broker provides its clients with adequate reports on provided investment services that contain, in particular, information on services provided on the account of the client and total costs connected with the business. In relation to the execution of orders on the client's account that are not related to the provision of portfolio management investment service the Broker is obliged to:
  - (a) immediately provide the client with basic information regarding the execution of the order, on a durable medium,
  - (b) notify the client as soon as possible about the execution of the order, on a durable medium but no later than the first working day after its execution or, if the Broker has received a receipt from a third party, at the latest on the first working day after receipt of the third party confirmation.
- 6.4. The Broker will also provide the client with information on the status of his order upon request. The Broker shall, in the case of client instructions related to the units or shares of the collective investment executed regularly, the Broker either takes the measure set out in paragraph 6.3 (b) or provide the client with the information related to those transactions referred to in paragraph 6.5 of this Article at least once every six months.
- 6.5. The notification mentioned in paragraph 6.3. (b) of this Article shall include the following information, if relevant:

- (a) broker's identification,
- (b) Client's name or other designation,
- (c) business day,
- (d) trading time,
- (e) order type,
- (f) identification of place of performance,
- (g) instrument identification,
- (h) buying/selling indicator,
- (i) nature of the order, unless it is a purchase / sales order,
- (j) quantity,
- (k) unit price; when the order is executed in tranches, the Broker may provide the client with information about the price of each tranche or the average price; if the average price information is provided, the Broker shall provide the client upon request with information on the price of each tranche;
- (l) total performance,
- (m) the total amount of commissions and expenses charged and, upon a client's request, a breakdown containing individual items, including any amount of surcharge or deduction when the transaction was executed by the Broker for trading on its own account, and the Broker has a duty to execute the instruction of the client at its best,
- (n) the exchange rate when the transaction involves a currency conversion,
- (o) the obligations of the client related to the settlement of the transaction, including the payment deadline or delivery time, as well as the relevant account details if such data and obligations were not communicated to the client earlier,
- (p) when the Client's counterparty was the Broker himself or any person in the group or other Broker's client, information about that fact except when the instruction was executed via a trading system that facilitates anonymous trading.

6.6. The Broker may provide the client with the information specified in paragraph 6.5 of this Article using standard codes if he also provides an explanation of the codes used.

6.7. When providing portfolio management investment services, the Broker is required to obtain the necessary information regarding the client's knowledge and experience in the field of investments related to a particular type of financial instrument, investment service, or ancillary service, his financial situation, including his ability to bear the loss and his investment objectives, based on the information thus obtained, recommend to the client or potential client the investment services and financial instruments that are appropriate to him in a sense of the level of his knowledge and experience. To meet the above obligation, the client's investment profile is evaluated. Providing all accurate, true, and up-to-date necessary information from the client enables The broker to act in the best interests of the client when providing investment services and offering financial instruments. The information provided also serves the Broker to assess the compatibility of the financial instrument or the investment service (or financial instrument) with the client's needs, characteristics, and objectives.

- 6.8. In case the investment strategy of the portfolio management investment service enables the purchase of money, real estate, bond funds, and equity funds representing index, sector, commodity, and bond development, the Broker hereby informs that the financial instruments are managed by the relevant investment managers of the funds.
- 6.9. If the Broker provides the portfolio management investment service, it is obliged to send the client a statement of portfolio management activities performed on that client's behalf on a durable medium or through the Electronic Communications Services every quarter, unless such statement is provided by another person. This regular statement is provided to the client on a durable medium every twelve months, in cases where the client decides to receive information about the individual executed transactions as soon as the portfolio manager executes the transaction. The statement also includes information about the status of the financial instruments or client funds held by the Broker under and to the extent outlined in the Regulation. At the client's request, the Broker will provide a more expedient listing at a reasonable price.
- 6.10. A statement of portfolio management activities must provide a clear and balanced overview of the portfolio's performance and performance over the reporting period and, if necessary, must include the following information:
- (a) Broker's name,
  - (b) the name or other designation of the client's account,
  - (c) statement of portfolio composition and its valuation including detailed information about each financial instrument held, its market value or fair value, if the market value is not available, the cash balance at the beginning and end of the reporting period, and portfolio performance over the reporting period,
  - (d) the total amount of fees and charges incurred during the reporting period, with a breakdown of individual items containing at least the total management fees and the total costs associated with execution, including a possible declaration that a more detailed statement will be provided on request,
  - (e) a performance comparison over the period stated in the statement with the investment performance reference value (if any) agreed upon between the Broker and the client,
  - (f) the total amount of dividends, interest, and other payments received during the reporting period in relation to the client's portfolio,
  - (g) information on other corporate events giving rise to rights in relation to financial instruments held in the portfolio,
  - (h) where appropriate, for each transaction carried out during that period, the information referred to in Article 6 part 6.5 letter c) to l) unless the client decides to receive information on the individual transactions executed; in such case, when the client decides to receive information about the individual transactions executed, the client will be provided with basic information about the transaction on a durable medium as soon as the portfolio manager executes the transaction.

- 6.11. The Broker and the associated financial agents may provide investment advice. If the investment advice is provided, and if not stated otherwise, the Broker and/or their financial agents (depending on which entity provides the advice) provide the investment advice:
- (a) On a dependent basis
  - (b) One time only and the entity providing the advice shall not assess the suitability of the financial instruments and investment services recommended to the Client regularly. If the Broker and/or the financial agent notifies the Client that the advice will be provided continuously, they will also provide the Client with a regular (annual) assessment of the suitability of the recommended financial instruments and investment services.
- 6.12. When the investment advice is being given by the Broker, the result of such advice is a purchase of investment services and financial instruments, that are being paid for by the Client according to the Price list. The range of financial instruments is limited to the offer of the Broker.
- 6.13. When the investment advice is being given by an independent financial agent, the result of such advice is a purchase of investment services and financial instruments, where the Broker pays a commission to the independent financial agent according to the Price list. The advice is based on the analysis of different financial assets, that is not limited only to the financial assets or investment services offered by the Broker.
- 6.14. When the investment advice is being given by a tied agent, the result of such advice is a purchase of investment services and financial instruments, where the Broker pays a commission to the tied agent according to the Price list. The advice is based on the analysis of different financial assets, that is limited only to the financial assets or investment services offered by the Broker.

## **7. Information on costs related to the provision of investment services**

- 7.1. All fees related to the provision of investment services to the Broker's clients, as well as their due date, are listed in the Price list, available at [www.finax.eu/en/legislation](http://www.finax.eu/en/legislation). On this page, under the Example of Calculation of applicable charges, the Broker also publishes preliminary cost and fee information, and examples of the calculation of the relevant charges related to the investment service. In particular, the total costs and fees, as well as the amount of commission paid by another person, provided to another person is accessible upon signing in to the client's account on the Broker's website. The Broker has a client bank account set up to provide services, which the Broker charges a fee for, in relation to the provided investment services according to the Price list.
- 7.2. Information on fees and taxes: The Broker's fees are increased by the valid VAT at the time of the provision of the service. In case the client will be paid a dividend, the dividend tax may be automatically deducted by the Broker or a foreign broker, who is acting on behalf of the Broker on the respective foreign market, at the rate determined by the state and the tax jurisdiction, which the foreign market in question belongs to. However, other costs may arise for the Client in connection with the trades, including taxes and fees, which are not paid through the Broker but through third parties. In case of a profit, the Client shall pay an income



tax according to the relevant legal regulations of the state of his or her tax domicile. The Broker hereby warns that the tax regime depends on the Client's individual situation and may be subject to change in the future. The Broker does not provide tax consultancy services.

- 7.3. The Broker may provide fees, commissions, and non-monetary benefits (hereinafter referred to as "Transactions") in connection with the provision of investment services to the client, but only to the extent and under the conditions set out in the MiFID II, the Regulation and other relevant legislation. The Broker may accept or provide Transactions that are intended to enhance the quality of the relevant service to the client and does not prevent the Broker from acting following the principles of fair dealing and professional diligence. These include all standard rewards to third parties, such as custody fees, trade settlement fees, fees for regulated market operators, and any official, judicial, and administrative fees. The merchant may also provide or receive small non-monetary benefits from third parties in relation to the execution of transactions. The Broker's performance of the Transaction is also incurred in respect of the remuneration of the financial agents who perform the financial intermediation for the Broker under the relevant legislation, but these Transactions are intended to increase the quality of the relevant service for the Client. The Broker will inform the Clients about the Transactions in detail following the relevant regulations.
- 7.4. When providing an investment service, the Broker does not accept or retain fees, commissions, or other monetary benefits and non-monetary benefits paid or provided by any third party or person acting on behalf of a third party in connection with the provision of the service to clients. However, the Broker may accept smaller non-monetary benefits that may enhance the quality of the services provided to the client and, because of their scale and nature, are not considered to impair the compliance with the Broker's duty to act in the best interests of the client. If fees, commissions or other cash payments are paid or provided to the Broker, the Merchant receives, he is obliged to transfer them in full to the client immediately upon receipt, and at the same time inform him about this fact.
- 7.5. The basic fee for portfolio management is 1% p.a. + VAT, with the option to be individually decreased for clients with assets over 100 000 Euros. The fee for buying and selling securities - Brokerage service for ELITE clients is 0.3% of the total volume of transaction, at least 29 EUR/USD. When providing a personal recommendation to the Client from the financial agent, the Client may be subject to a fee for investment advisory.

## **8. Protection of client's financial instruments and funds**

### **8.1. Information about the protection of financial instruments or client funds**

- 8.1.1. The Broker is entitled to deposit financial instruments or funds of his clients in the account or accounts opened in the name of the Broker at a third party, and when choosing and

appointing these third parties, the Broker does so with professional care and takes further action (for more information see the Description of the Measures to Ensure protection of financial instruments and client resources).

- 8.1.2. The above-mentioned third party is a person that is necessary to be used for the proper execution of the investment service, in particular, to ensure the following:
- (a) securing and settlement of a transaction with financial instruments ((i.e., typically a transfer, financial instruments, and funds),
  - (b) keeping the relevant records of financial instruments, or securities,
  - (c) safekeeping of financial instruments (i.e., in particular in terms of the physical entrusting of a financial instrument),
  - (d) administration (i.e., primarily in terms of entitlement to exercise the rights for the relevant financial instrument, but not necessarily physical entrusting),
  - (e) maintaining accounts with Client Funds (hereinafter referred to as Custodian or collectively "Custodians").

An example of the Custodian is a central securities depository, a bank that manages the client accounts of an investment service provider, a depository bank, a settlement center, or members of the financial instrument markets.

- 8.1.3. In the event of using the Custodian's services, financial instruments or client's funds are in their administration in the name of the Broker (and possibly also on behalf of the client), separately from the Broker's assets and assets of Custodian. The Broker and the Custodian are responsible for legal proceedings and above all to carry out their obligations in accordance with applicable laws and negotiated contractual relationships. The Broker notifies the client that the action of the Custodian, his omission, failure, or insolvency may result in a loss of the client's financial instruments and other losses. The Broker, in the scope provided by the applicable law, is liable to his / her clients for the repayment of all financial instruments and funds held for them by Custodians and to the extent determined by the applicable law for the consequences of the Custodian's insolvency.
- 8.1.4. The Broker primarily uses the services of those Custodians who are subject to EU regulatory and legal requirements that ensure high standards of protection for the holding of financial instruments and client funds. The Broker might use also Custodians, who are subject to different regulations and legislation different from the Member States of the European Union, to the extent necessary for the execution of investment services for its clients (e.g. due to the Brexit). This means that if the accounts on which the client's financial instruments are held are subject to the law of a jurisdiction other than that of a Member State of the European Union, the client's rights relating to financial instruments may differ according to the legislation of the given jurisdiction.
- 8.1.5. The Broker notifies the client that the legislation subject to Custodian / third party activity may allow and usually allow the entrusted financial instruments and funds to be recorded in a collective (aggregate) account.



- 8.1.6. In the case of holding a client's financial instruments or funds in a third-party aggregate account, the Broker notifies clients about the following risks:
- (a) Possibility of inadequate internal separation of individual client positions with the positions of other clients in the same title (eg the same ISIN). The Broker minimizes the risk based on internal regulations and a functioning internal control system  
(for more information see the Description of Measures to Ensure Protection of Financial Instruments and Client Resources).
  - (b) Another risk is the possibility of disregarding the tax advantage in the case of the client's residence being different from that in the Slovak Republic.
  - (c) At the same time, the clear and direct identification of the client in relation to third parties is impossible, it can only be mediated through the Broker.
- 8.1.7. The Broker shall take the appropriate measures to ensure that the client's financial instruments deposited with third parties are identifiably separated from the financial instruments of that third party or from the Broker's financial instruments (the Broker keeps records of the owners of those financial instruments / funds) The same applies in case of third party insolvency. Where such identifiable segregation of financial instruments is not possible under national law, the Broker shall inform the client of that fact.
- 8.1.8. If the client's financial instruments are located in the jurisdiction of a third country, the relevant laws of that jurisdiction may prevent the Broker from complying with the relevant legislation ensuring that all client financial instruments deposited in a third country are identifiable separately from financial instruments belonging to another client or the third party concerned. As a result, such financial instruments may be available to creditors in the event of third-party bankruptcy.
- 8.1.9. Before entering into a transaction of securities financing in relation to financial instruments held by the Broker on behalf of the client or prior to using such financial instruments on his own or another client's account, the Broker shall provide the client with the specific information required in the sense of generally binding legislation on the durable medium.
- 8.1.10. The Broker will specifically inform the client of the existence and conditions of all security interests or rights to the client's financial instruments, or of any right of offset related to those financial instruments that the Broker may have.
- 8.1.11. In accordance with the law, it is possible for a Broker to exercise, in respect of the financial instruments or client funds, the right of lien, the right of offset, security adds, the final settlement, or another similar right to secure / repay the obligations of the Broker's clients or obligations from client investment service. The specific terms and conditions for the application of these rights are governed by the relevant agreement for the provision of investment services with the client. By securing the obligations, the obligation of the Broker to give back to the client any financial instruments or funds entrusted or held by him, regardless of the possible use of such rights by the Custodian against the Broker in relation to the client's property, taking into account any legal claims of the Broker himself against the client.

8.1.12. Some custodial rights in accordance with legal regulations and specific contractual provisions may also be exercised by Custodians in the Member States of the European Union (in the case of non-Member States only if required by the relevant legislation of such a State or such arrangement is established to recover debts related to Broker's clients or customer service). If the client's financial instruments are held in countries where such use of the lien is required, there is a risk that if the Broker fails or is unable to meet an existing commitment in favor of a third party, the client's financial instruments may be used to meet the Broker's obligations to the extent required by the applicable law of the third country.

## **8.2. Description of the Measures to Ensure Protection of financial instruments and client resources**

8.2.1. In relation to the protection of financial instruments and resources of the client, Finax, o.c.p., a.s. has adopted and implemented measures designed to protect the funds of clients entrusted to the Broker.

The Broker shall, under the relevant regulations and to provide the above-mentioned to its clients and their financial instruments:

- (a) maintain appropriate records, particularly in the context of accounting records that consistently ensure the separation of the assets held for one client only from the assets held for other clients as well as from its own assets,
- (b) maintain and perform records in the statutory financial instruments records (separate and follow-up records),
- (c) perform regular reconciliations of accounting and other mandatory records regarding the client's financial instruments and funds,
- (d) provide clients with regular statements of the required records of the financial instruments and funds of the client held by the Broker, and the client is entitled to request any explanations or corrections in the records,
- (e) participate, in compliance with his statutory obligation, compensation system in the Guarantee Investment Fund. The Broker provides more information on this compensation system through his website [www.finax.eu/en/legislation](http://www.finax.eu/en/legislation) in the document "[Information for clients on the Investment Guarantee Fund](#)",
- (f) have its organizational structure and management system adjusted in a way that ordinary and safe execution of allowed investment activities is secured,
- (g) divide and adjust the competencies and responsibilities within the organizational structure of the Broker for the creation, realization, monitoring, and checking of the business targets of the Broker,
- (h) introduce an internal control system including an employee responsible for compliance,
- (i) implement a system to identify, monitor, measure, and manage the risks to which he is exposed, and he manages, in particular, the credit risk, market risk,

- (j) have a relevant information system inside and outside,
- (k) execute activities for protection against the legalization of income from criminal activities and financing of terrorism.

- 8.2.2. In addition to the above-mentioned measures, Finax, o.c.p., a.s. performs transactions with its clients solely on a contractual basis and, when carrying out such transactions, proceeds cautiously and carries out transactions in a manner that takes into account and minimizes risks, in a manner that performs business transactions under favorable economic and legal conditions for the Broker and his clients at the transactions executed by them on the client's account and while exercising the professional care, so that at least two persons are present at each transaction for the Broker. The Broker does not perform transactions with persons who have a special relationship with him or her, which he would otherwise, due to their nature, purpose, or risk, haven't executed with other clients.
- 8.2.3. From the point of view of keeping the rules of prudent entrepreneurship, the Broker has implemented processes to ensure compliance with the limits of the adequacy of the own funds of the Broker's financing, and the equity exposure indicators in accordance with the requirements of the relevant legal regulations.
- 8.2.4. The Broker has implemented effective measures to keep the confidentiality, prohibition of abusing information, and its keeping in terms of relevant regulations, the subject of which are all information and documents related to issues of the client of the Broker, that are not publicly accessible, particularly information about deals, balances on property accounts.
- 8.2.5. The Broker classifies and protects this information from revelation, abuse, damage, destruction, loss or abstraction. Information and documents about issues that are protected in terms of relevant regulations, the Broker can provide to third parties only with the prior written consent of the touched client or after his written instruction if not stated otherwise by the law. The Broker shall process the personal data under Act no. 18/2018 on the protection of individuals, as amended, in accordance with Regulation of European Parliament and the Council (EU) 2016/679 on protection of individuals when processing the personal data and about the free movement of such data, and in the framework of the relevant regulations, including Act no. 18/2018 on Personal Data Protection, as amended, and Broker's Program of activities against the Legalization of income from Criminal activities and against the financing of terrorism under the current legislation. Further details on the protection of personal data, including the rights of the persons concerned, can be found on the Broker's website [www.finax.eu/en/legislation](http://www.finax.eu/en/legislation) in the Personal Data Protection Policy.
- 8.2.6. In relation to the execution of instructions related to the provision of investment services on the account of the client, the Broker informs its clients about the fact that the financial instruments of the client or funds of the client related particularly to, but not solely to, the realization of deals with foreign securities can be kept in the name of the Broker on the account of a third party.
- At selection, the appointment of a third party, at whom the Broker places the financial instruments of his clients and at the conclusion of contracts on administration and custody

of these financial instruments the Broker is, in compliance with the Act on Securities, obliged to:

- (a) act with relevant professional care and consideration and regularly check the professionalism and credibility of the third party on the market and provisions of generally binding legal regulations or market habits related to keeping these financial instruments that could have an unfavorable impact on the rights of the clients,
- (b) if custody of financial instruments on account of a third party is governed by special legal regulation and supervision of the state in which the Broker plans to place the financial instruments of the client at a third party, the Broker is not authorized to place these financial instruments in this state at such a person, if not governed by such a legal regulation and supervision,
- (c) the Broker must not place the financial instruments kept on the accounts of the clients at a third party in a non-member state, in which keeping and custody of financial instruments on account of a third party is not governed by legal regulations unless one of the following two conditions is met:
  - i. by nature of financial instruments or investment services related to these instruments it is required that these financial instruments are placed at a third party in a non-member state,
  - ii. if the financial instruments are kept on the account of a professional client and this client asks the Broker in writing to place these financial instruments at a third party in a non-member state,
- (d) adopt measures necessary to secure that the financial instruments of the client which are placed at a third party are possible to be identified separately from the financial instruments of the Broker using differently designated accounts in the evidence of the third party or using equivalent measures by which the same level of protection can be reached,
- (e) adopt measures necessary to secure that such financial instruments are conducted separately from accounts on which monetary funds of the Broker are conducted.

## 9. Measures in case of a conflict of interest

9.1. In accordance with the relevant provisions of special regulations, the Broker is obliged to take all reasonable measures necessary to detect a conflict of interests, its prevention or management, between him, his top management, employees, tied investment agents, financial agents, persons linked to the Broker in a direct relationship control or indirect control and between his clients or between clients themselves arising in the course of the provision of investment services, ancillary services and the performance of investment activities or in combination thereof. The Broker is required to implement, enforce and comply with effective measures to prevent conflict of interest. These measures have to be in written form and they have to be adequate to the size and organization of the Broker and the nature, scope, and difficulty of his scope of business.

- 9.2. When conflicts of interest can not be avoided in the provision of investment services, ancillary services and the performance of investment activities, the nature, and source of the conflict must be communicated to the client prior to the provision of such service or performance of the activity, and in the case of the provision or execution of the investment, prioritize the interests of the client before his own and in the event of a conflict of interest between clients to ensure the same and fair treatment to all the clients.
- 9.3. The Broker has implemented measures against conflict of interests in his internal regulations and procedures by means of which he manages the duties and work procedures of employees in a way that arising of conflict of interests is avoided. The measures against conflict of interests have been adopted particularly by means of implementation of standards to which the Ethical codex of Finax, o.c.p., a.s. belongs.

Effective measures against conflict of interests govern particularly:

- (a) securing independent attitude of the employees in their relation to the clients or other contracting parties in a way that any risk of influencing or conflict of interests is avoided,
- (b) focus on professionalism and incorruptness of employees under any circumstances and at any time in relation to the Broker and to the investment mediators or counter-parties,
- (c) separation of personal relationships of employees with the clients or business partners of the Broker from business activities,
- (d) rules at execution of transactions by employees on their personal account,
- (e) execution of speculative transactions by employees of the Broker outside the frame of execution of their work,
- (f) keeping the internal regulations and procedures at every transaction of the employees and their realization by means of ordinary distribution channels targeted for non-entrepreneur entities,
- (g) prohibition of the employees of the Broker to act in the name of the clients or to act in the name of a third party based on full powers conferred by them in relation to the Broker,
- (h) prohibition of the employees to realize financial operations in their own name, in the name of their relatives, in the name of other employees of the Broker, including the management, or in the name of a third party,
- (i) duties of the employees to secure disinterestedness on dubious practices that could discredit the Broker,
- (j) prohibiting or limiting the possibility for other persons to influence unreasonably the way by which the concerned employees of the Broker provide investment services, supplementary services or execute investment activities,
- (k) prohibition to accept gifts or other benefits offered by the clients or contracting parties that is outside the frame of normal commercial practice and exceeds the limits set by law,
- (l) keeping to the legal, regulatory, and ethical frame at every activity of employees of the Broker.

9.4. Upon a client's request, the Broker will provide further and detailed information about its policies concerning the conflict of interests.

## 10. Storage of telephone or electronic communication

10.1. The Broker, in accordance with the MiFID II and the Regulation, is required to record or otherwise register communication (telephone and / or electronic) between the Broker and the client regarding client orders relating to acceptance, dispatch, and execution of the client's orders. Such records of telephone interviews and electronic communications also include those conducted to provide services related to clients' orders concerning the reception, transmission, and execution of client orders, even if such conversations or communications do not result in the provision of services related to client orders.

10.2. The Broker is obliged to keep records of its communication with the Client for a period of five years from the date on which the record is made, at the request of the National Bank of Slovakia for up to seven years. The Client has the right to ask the Broker to provide a copy of the retained records. The Broker reserves the right to charge such provision of records accordingly. Stored records are also accepted by the client after signing the investment service contract as maximum evidentiary material as permitted by the relevant legislation as irreversible evidence of such communication.

## 11. Warning about the risks

Trading in securities may result in a profit or a loss. Past returns are not a guarantee of future returns. Information on financial instruments and risks related to financial instruments are detailed in the document „Information for clients and potential clients about financial instruments and the risks related to financial instruments“, published on the Broker's website [www.finax.eu/en/legislation](http://www.finax.eu/en/legislation)

## 12. Further information provided related to the remote contract conclusion

12.1. **Applicable law and jurisdiction:** When providing financial services, prior to contract conclusion, the Broker is subject to the legal regulations of the Slovak Republic as well as MiFID II. The contractual relationship between the Broker and the Client is subject to the legal order of the Slovak Republic. The respective court of the Slovak Republic is in charge of the eventual resolution of litigation. For the avoidance of doubt, in the case of providing services abroad in another member state, the consumer protection provided by the law of the country of their usual residence is not affected, pursuant to Article 6, section 2 of the regulation of the European Parliament and the Council no. 593/2008 on the law applicable to contractual obligations (Rome I) and the eventual resolution of litigation does not affect the possibilities available to the consumers pursuant to the Article 18 of the regulation of the European Parliament and the Council no. 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters.



**12.2. The minimum validity period, possibilities of early contract termination, delivering a notice, and withdrawal from the contract:** Contractual relationship between the Broker and the Client is usually concluded for an indefinite period. During the course of the contractual relationship, the contractual parties may terminate the contractual relationship by a written agreement, or any of the parties unilaterally, by notice with termination period or by withdrawing from the contract effective immediately (withdrawal is, however, only possible due to legal reasons or reasons stated in the contract, if agreed upon) without contractual penalties. Notice (with or without stating a reason) and withdrawal (with stating a reason) shall have a written form, be signed, and include clear identification of the client who is acting. Withdrawal from the contract shall include also the reason for withdrawal. Notice and withdrawal from the contract shall be delivered to the address of the Broker: Finax, o.c.p., a.s., Bajkalská 19B, 821 01 Bratislava or electronically to: [client@finax.eu](mailto:client@finax.eu). In the case of a pan-European personal pension product (PEPP), early withdrawal options may be limited or penalized. For further information, please refer to the relevant KID for the PEPP sub-account.

**12.3. Non-existence of the right to withdraw from the contract in a 14-day period in case of concluding the contract remotely:** Under relevant legislation governing consumer protection while providing investment services remotely, in case the Broker concludes a contract with a client on financial services using means of remote communication, the client does not have the right to withdraw from the contract without stating a reason, in case of a financial service, price of which is influenced by the developments on the financial market that the Broker cannot influence. Because the price of services provided by the Broker depends on the developments in the financial markets that the Broker cannot influence, the client does not have the right to withdraw from the contract on providing the financial service remotely, in the period of 14 calendar days from its conclusion with the Broker, without stating a reason.

**12.4. Complaints:** Complaints must be made

- (a) in writing, in person, or by mail to the following address: Finax, o.c.p., a.s., Bajkalská 19B, Bratislava, Postal Code 821 01;
- (b) verbally - by telephone (tel. +421232447760) or in person in a protocol record during the Client's visit to the Company's registered office stated in point a) above
- (c) in electronic form - by e-mail to the following e-mail address: [client@finax.eu](mailto:client@finax.eu)

A complaint shall contain identification data of the client: name (company name), birth certificate number (company registration number), permanent residence address (seat of the company), client account number, and the client's contact details (phone number, e-mail), and, in the case of a written complaint, also the date and client's signature. The Client shall further indicate explicitly, clearly, correctly, and precisely state the full extent of the complaint in the claim being put forward, with all the data, numbers, and amounts, and credibly support their claims, particularly by producing legally relevant documents. Also, the Client shall indicate the rights they are enforcing in the claim against the Broker. The Broker

shall investigate the claim usually within the period of 15 business days from its delivery. If the claim requires more time, the period can be prolonged, which the client will be informed of. In case the Broker's statement regarding the claim in question doesn't fully satisfy the Client's requirements, they are free to turn to the respective supervisory authority, which is the National Bank of Slovakia. The consumer has the right to file a proposal to begin an alternative dispute resolution to the alternative dispute resolution body. Details on handling complaints and grievances and on the options of out-of-court settlement of grievances are stated in the Complaint policy, published on the Broker's website [www.finax.eu/en/legislation](http://www.finax.eu/en/legislation).

12.5. **Additional costs:** Clients are not liable for any additional costs related to the use of the means of remote communication.

### 13. Final Provisions

13.1. This document represents a base document in the sense of fulfilling the information obligation of the Broker under MiFID II and Article 47 of the Regulation as well as relevant regulations for consumer protection when providing financial services remotely. Additional specific information is also provided by other Specific Broker's Documents, which include, in particular, the contractual documentation proposal, the Strategy for Order Execution, Investment Strategies for Investment Services of Portfolio Management, Client Information on the Guarantee Investments Fund, Complaints handling Rules, Service Price List, Charge Calculation Model, Principles and Changes to Client Categorization, Information on financial instruments and risks related to financial instruments, and more. The information provided is valid until its update by the Broker on the website [www.finax.eu/en/legislation](http://www.finax.eu/en/legislation).

13.2. General information for the clients was published on 7th October 2022 on the web page of the investment broker [www.finax.eu/en/legislation](http://www.finax.eu/en/legislation).

# Information according to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

## 1. Application and definitions

- 1.1 The obligation to disclose information on the integration of sustainability risks and sustainability drivers into the investment process shall apply to Finax, o.c.p., a.s. with its registered office at Bajkalská 19B, 821 01 Bratislava, Company registration number: 51 306 727, entered in the Business Register administered by the Municipal Court in Bratislava III in file no. 6713/B, section Sa (hereinafter referred to as “**Finax**”), regarding the provision of the portfolio management service and the provision of a PEPP (pan-European personal pension product).
- 1.2 **Sustainability factors** (hereinafter referred to as the “**ESG factors**”) mean environmental, social, and employee matters, respect for human rights, and anti-corruption and anti-bribery matters.
- 1.3 **Sustainability risk** means an environmental, social, or governance event or condition that, if it occurs, could cause an actual or a potential substantial negative impact on the value of the investment.

## 2. Investment decision-making

- 2.1 For the portfolio management, Finax chooses among index ETFs. Index ETFs replicate indices, i.e., they invest in the same securities and in the same proportion as the composite index that is created by a third party. Since the role of index ETFs is to replicate an index, changes in these funds reflect changes in the underlying indices and there is no active selection process of financial instruments that are in the ETFs by Finax.
- 2.2 ETFs are selected based on the criteria described in the article "[How do we choose our ETFs](#)", and the investment objective is to replicate the performance of indices. Decisions based on ESG factors and sustainability risks could affect the ability to achieve the investment objectives we set in individual investment strategies. For these reasons, we do not consider sustainability risks to be relevant for passive index fund investments and thus they are not incorporated into investment decisions. Moreover, due to the high diversification of index funds and their investments in thousands of companies, the impact of sustainability risks on returns is minimized.
- 2.3 Neither non-financial ESG factors nor EU criteria for environmentally sustainable economic activities are in particular considered in the underlying investments of managed portfolios.

## 3. Consideration of adverse sustainability impacts of investment decision-making on ESG factors

- 3.1 Since the subject is index ETFs, and the investment objective is to replicate the performance of indices, the adverse effects of our investment decisions on ESG factors are not considered.
- 3.2 Finax monitors the market situation. As ESG factors are increasingly being considered during the creation of the indices themselves and during the valuations of companies, our practice may be reviewed in the future.

## 4. Remuneration policy

- 4.1 Remuneration with regard to ESG factors is not applied.