



# Terms and Conditions

## Of Collective Management

### I. Introductory Information

1. These Terms and Conditions of Collective Management (hereinafter the “**Conditions**”) regulate relations between the parties of the Agreement on Entrusting Funds to Management for Collective Investment Purposes (hereinafter the “**Agreement**”), executed between DLTG FUND a.s., ID No.: 17469813, registered office Rybná 716/24, 110 00 Prague 1 – Staré Město, registered in the Commercial Register maintained by the Municipal Court in Prague under file no. B 27560 (hereinafter the “**Manager**”), and the investor (hereinafter the “**Investor**”). The Conditions constitute a part of the Agreement. By signing the Agreement, the Investor represented that he had familiarised himself with the Conditions and had understood all their provisions.
2. Based upon the decision of the Czech National Bank (hereinafter the “**CNB**”) dated September 23, 2022, ref. no.: 2022/096459/CNB/570, the Manager is a person registered in the register of persons referred to in Section 15(1) of Act No. 240/2013 Coll. on management companies and investment funds (hereinafter the “**Act**”). Hence, the Manager is authorized to manage assets consisting of monetary funds or things whose value can be expressed in monetary terms, collected from third parties – the Investors, or assets acquired in exchange for such things whose value can be expressed in monetary terms, for the purpose of their collective investment on the basis of a pre-determined strategy for the benefit of such Investors (hereinafter the “**Management**”).
3. The Manager is only registered in the relevant register kept by the Czech National Bank (hereinafter the “**CNB**”). The performance of the Manager's activities is not subject to the CNB's supervision.
4. The Manager is obliged to proceed in the course of the Management in accordance with a plan of allocation of the Investor's investment into various investment instruments, as detailed in Art. II of these Conditions (hereinafter the “**Investment Strategy**”).
5. The Management shall be carried out in separate closed rounds where, following the collection of a sufficient amount of financial means in an investment round announced in advance, the Manager will select a certain number of start-up companies in which such collected and entrusted funds will be invested until the end of the relevant round and until the settlement of the last partial investment or of the last start-up in which the funds have been invested (hereinafter the “**Sub-fund**”). Selection of the start-up concepts and their dedication to the relevant Sub-fund following the collection of a



sufficient amount of financial means, as well as the method of investing and participation in the development of the relevant start-up, constitutes a part of the Manager's Investment Strategy.

6. The implementation of each Sub-fund shall be divided into two phases:
  - a. The phase of opening for investments - At the start of the Sub-fund, the Manager will determine a time limit during which the Sub-fund will be open for investments. At any moment of the phase during which the Sub-fund will be open for investments, the Manager will always have only one Sub-fund open for investments where all financial means of all investors are entrusted to the Manager for Management purposes during the period within which the Sub-fund will be open for investments will be allocated.
  - b. The investment phase - After the close of the Sub-fund for investments, the Manager will select in the course of the Management start-up concepts where the collected financial means will be invested. Then, the Manager will supervise in this phase the development of the start-ups and will participate in their development with the intention of later settlement of such appreciated shares in the start-ups to ensure the appreciation of the assets. This phase will end by the settlement of the investment and termination of the participation in all start-ups invested into through the Sub-fund.
7. The Investor is not entitled to elect (choose) the Sub-fund where the managed assets should be invested. The Investor is entitled to invest his funds only to the Sub-fund which will be currently open for investments. After the end of this first phase, i.e. after the close of the Sub-fund, the Manager shall carry on the Management in the investment phase with the aim of appreciating the monetary funds of the Investors by the method described in Art. I.(5). This shall not prejudice the Manager's right to open another Sub-fund for investments.
8. The Manager shall determine in advance the maximum amount of the total investment from all investors to each of the Sub-funds. After the termination and close of the Sub-fund, the Investor shall be entitled to a share in the yield in the amount calculated by the method described in Art. VI. and VII. of the Conditions, based on a payment order referred to in Art. VIII. of the Conditions.
9. After the end of the phase when the Sub-fund is open for investments, the Manager shall be entitled to open another Sub-fund for investments with a pre-determined maximum amount of investments for such Sub-fund.
10. The amount of the total investment to all Sub-funds that are active at a given moment may not exceed the relevant threshold defined in the Act.
11. Each individual Sub-fund shall be terminated/closed after settlement of the investment into the last of the start-up concepts that have constituted parts of it. The settlement of the investment into a start-up concept means the termination of all of the Manager's activities and engagement in the relevant start-up concept.

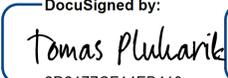
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## II. Investment Strategy

1. The Manager shall invest the entrusted funds in a common portfolio (hereinafter the “**Common Portfolio**”) on the basis of the following Investment Strategy:
2. Investment Strategy

General description:	<p>Based on a system developed by him (an AI system), the Manager is able to search for, identify, select and evaluate start-up companies in various sectors with the highest future potential.</p> <p>The Manager intends to invest the funds entrusted by the Investors o start-up technologies at an early phase in newly established companies (the “pre-seed investment”), as well as in further phases of formed start-ups (the “seed investment”) for the purpose of their expansion to new markets.</p> <p>The Manager will invest the entrusted funds in the Common Portfolio on the basis of a market analysis, a detailed due diligence of the relevant start-up and an assessment of the potential of the relevant sector.</p> <p>The Manager will make the investments into Sub-funds, i.e.in rounds with pre-determined total investment value, for which a portfolio of start-up concepts will be selected after the end of the phase of opening for investments.</p>
Instruments used:	<p>Purchase of a share in the relevant start-ups or purchase of rights for future acquisition of a share therein. Bonds issued by such companies.</p> <p>Sector focus – the market sector – start-up technologies, including, but not limited to, digital virtual and alternative reality, including virtual connection, cosmic technologies, the</p>

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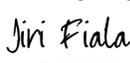
	GameFi sector, the defence industry or blockchain infrastructure, cyber security.
Trading techniques:	Long-term holding of the share or participation in the companies with the aim of generating profit in a long-term horizon with the entry of subsequent strategic investors
Investment horizon:	The anticipated horizon: 60 months for each Sub-fund, the maximum horizon: 7 years
Risk rate	High
Risk mitigation methods:	Adherence to the investment horizon by the Investor, diversification of the portfolio, application of the AI in the assessment of the investment potential, detailed consulting with founders of start-up companies
Use of a loan or leverage effect	Will not be used
Investor's right to participate in the investing	Yes
Volume of investment	EUR 150,000.00 – 500,000.00
Fund currency	EUR

### III. Management Fee

- The Manager is entitled to a Management Fee for the performance of the activities under this Agreement, which consists of the following:

Fee	Rate	To be paid
Entry fee	0%	
Management Fee	1.5%	Annual
Fee on positive yields	20%	At the termination/close of the Sub-fund

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2. The Management Fee shall be paid by means of deduction from the Common Portfolio.

#### IV. Management Fee

1. The Manager shall be obliged to present to the Investor once every three months by e-mail a report on the investments, realized in relation to the Investor's Share in the Sub-fund, and to provide to him 10 days before the anticipated termination of a Sub-fund information about the structure of the Sub-fund.
2. The Manager shall provide annually to the Investor as of 31 December of each year of the Management and by the end of February of the following year information about the valuation of the relevant Sub-fund and in case of investments into more than one Sub-fund also of the Investor's Share in the Common Portfolio, including a specification of any profit or loss, in the form that can be used for the calculation of the Investor's tax liability (if any).

#### V. Management Rules

1. An investment may be one-off or recurrent. In the case of recurrent investments, the investment is deemed to consist of the total value of the monetary funds entrusted by the Investor to the Manager.
2. The initial investment is a one-off investment and must be provided by the Investor in accordance with the Agreement (hereinafter the “**Initial Investment**”). Then, the Manager shall allow the Investor to make subsequent investments (hereinafter the “**Subsequent Investment**”). The Manager shall always notify the Investor in advance about the period of time within which he will allow the Investor to provide an Initial or a Subsequent Investment.
3. The minimum amount of the Initial Investment shall be determined in accordance with the Agreement.
4. The minimum amount of a Subsequent Investment shall be EUR 150,000.00.
5. The relevant date for acceptance of an investment is the date when the monetary funds have been credited to the Manager's bank account. If the monetary funds are credited to the Manager's bank account before the delivery of the executed Agreement by the Manager, the relevant date for

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acceptance of the investment shall be the date of delivery of the executed Agreement by the Manager.

6. The Investor shall be obliged to make the Initial Investment upon the Manager's request within 5 business days after the execution of this Agreement or after the Manager's request, unless agreed otherwise in writing with the Manager. If the Initial Investment is not made within the stipulated time limit, the Manager may withdraw from the Agreement.
7. The Manager may refuse the Initial Investment, particularly if there is a threat of exceeding the relevant threshold specified by the Act.
8. The Manager may reject a Subsequent Investment.
9. The Manager shall use the instruments specified in the Investment Strategy (i.e. the purchase of shares in start-ups or purchase of rights for future acquisition of a share therein, as well of bonds issued by such companies, or of another form of participation in start-up concepts by a method allowing appreciation of the assets) for the purpose of increasing the value of the monetary funds untrusted by the Investor.
10. The Manager proceedings at his own discretion during the Management, including the method of distribution of financial means and arranging for investments in individual Sub-funds. In the course of managing the investments, the Manager is obliged to respect the Investment Strategy and to proceed with due professional care.
11. Investments made by all Investors within the scope of the Investment Strategy are invested collectively in individual Sub-funds (collective asset management). Thereafter, the investments are also settled by individual Sub-funds.
12. The Investor acknowledges that the Manager is neither a stock trader, nor an investment broker or any other licensed person. The Manager does not broker individual investment services. Hence, the Investor is not entitled to give orders to the Manager how to handle his investment. The Investor has no right of disposal with the investment for the period during which the investment is managed by the Manager.
13. The Manager pays out of the assets managed by him costs incurred by third parties in connection with the Management of the assets under the Investment Strategy (such as money transfer charges, legal and other services provided in relation to the acquisition, cash operations or currency conversion charges, etc.). These costs do not include the Manager's operating expenses (such as wage costs or costs of day-to-day operation). The Manager is not obliged to account to the Investor for any costs paid to third parties.
14. The value of the investments is denominated in the euro currency (EUR). The Initial Investment and the Subsequent Investment shall be made and the investment or a part thereof shall be paid out in the euro currency (EUR), or in another currency expressly agreed between the Investor and the

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Manager. In such case, the Investor shall bear the exchange rate risk and the costs of currency conversion.

## VI. Relevant Date and Valuation

1. After the end of the calendar year, the Manager shall make as of the last day of the calendar year (hereinafter the “**Relevant Date**”) the following calculations of values and fees, taking into account in each such calculation any withdrawals and deposits made by the Investors:

- a) Calculation of the current **Total Value of the Common Portfolio as of the Relevant Date:**

The current amount shall be calculated as a product of the market prices of individual investment instruments in the Common Portfolio and the number of such instruments, plus financial means carried on investment accounts, minus costs of trading, minus the Management Fee. The result denominated in a foreign currency shall be converted to the currency invested by the Investor in accordance with the last valid exchange rate announced as of the Relevant Date by the central bank for the relevant currency. If it is not possible to identify the market price of an instrument, its value shall be determined by the Manager using another appropriate method (the issuer price or the usual price). The Manager shall take into account in his calculation the Fee on Positive Yields and the Management Fee of all Investors in accordance with Art. VI. (1)(d) of the Conditions. A similar method may be used in the calculation of the Total Value of the Common Portfolio as of another date, e.g. as of the date of the Investor's entry or exit into/from the Collective Management.

- b) Calculation of the **Share in the Common Portfolio**

The Share in the Common Portfolio shall be calculated in proportion to the amount of monetary funds deposited by the Investor in the Common Portfolio. The Share in the Common Portfolio shall be calculated as of the Relevant Date or by the same method as of any other date.

- c) Calculation of the **Total Sub-fund Value**

The current amount shall be calculated as a product of the market prices of individual investment instruments in the relevant Sub-Fund constituting a part of the Common Portfolio and the number of such instruments, plus financial means carried on investment accounts in the relevant Sub-fund, minus costs of trading incurred by the Sub-fund, minus the share in the Management Fee at the ratio corresponding to the relevant Sub-fund's share in the Common Portfolio.

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d) Calculation of the **Sub-fund Share**

The Share in the Sub-fund shall be calculated in proportion to the amount of the Investor's financial means deposited in the relevant Sub-fund. The Share in the Common Portfolio shall be calculated as of the Relevant Date or by the same method as of any other date.

e) Calculation of the **Fee on Positive Yields and Investor's Management Fee**

**Fee on Positive Yields** accruing to the Investor in the Sub-fund shall be calculated as follows:

The Fee on Positive Yields amounts to 20% of the appreciation of the Investor's Sub-fund Share achieved during the existence of the Sub-fund. The Fee on Positive Yields is charged and paid upon termination/close of the Sub-fund. In case of the Investor's investment in more than one Sub-fund, this calculation shall be made separately for each such Sub-fund.

The **Investor's Management Fee** shall be calculated as follows:

**The Value of the Investor's Share in the Common Portfolio as of the Relevant Date** shall be multiplied by the percentage rate of the Investor's Management Fee, which is 1.5% p. a. of the invested amount. In case of withdrawal of financial means, the fee shall be calculated as of the termination date of the collective Management. The Management Fee is charged and paid on an annual basis.

f) Calculation of the amount of the **Fee on Positive Yields of the Sub-fund and Fee on the Management of all Investors** for all investors and deduction thereof from the **Value of the Common Portfolio**:

The **Fee on Positive Yields of the Sub-fund for all Sub-fund Investors** shall be calculated as a sum of all Fees in Positive Yields of investors investing in the relevant Sub-fund. The Fee on Positive Yields of the Sub-fund for all Sub-fund Investors shall be calculated and deducted thereafter by the Manager from the Common Portfolio upon termination/close of the relevant Sub-fund or after the expiration of the maximum investment horizon.

The **Fee on the Management of all Investors** shall be calculated as a sum of each investor's **Management Fee** for the relevant calendar year. Thereafter, the **Fee on the Management of all Investors** shall be deducted by the Manager from the Common Portfolio and cost shall be allocated proportionally among individual Sub-funds.

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## VII. Method of Payment of Yields

1. Each Investor shall be entitled to payment of a Yield Share subject to the terms specified in this and the following Articles of the Conditions.
2. Method of the calculation of a **Yield Share**:

A **Yield Share** shall be calculated as a difference between the Share in the Sub-fund as of the last date of the monitored period, i.e. until the date of termination/close of the relevant Sub-fund or until the expiration of the investment horizon (hereinafter the "**Monitored Period**"), and the nominal value of the Investor's funds entrusted to the Manager under the Agreement and invested in the relevant Sub-fund. In case of a positive result, the Investor shall become entitled to payment of a Yield Share.

The Manager shall take into account in this calculation the Fee on Positive Yields of the Investor calculated in accordance with Art. VI.(1)(e) of the Conditions.

3. Each Yield Share shall be calculated as of the last day of the Monitored Period. The Yield Share and the Fee on the Investor's Positive Yields shall be paid out of the Investor's Share in the Common Portfolio.
4. The Share in the Common Portfolio shall be calculated by the procedures used in the valuation of the Common Portfolio; the Share in the Common Portfolio and the Management Fee shall be calculated in accordance with Art. VI. hereof.
5. In the prerequisites for payment of the Investor's Yield Share set forth in Art. VII.(2) have been met, the Manager shall pay to the Investor the Yield Share in accordance with this Art. VII. of the Conditions

## VIII. Method of Withdrawal of Entrusted Funds

1. The Investor may withdraw the whole Share in the Common Portfolio or a part thereof upon a written payment order delivered to the Manager in accordance with the provisions of paragraph 3 of this Article. The Manager shall be obliged to terminate the Management and to turn the Share in the Common Portfolio to money within a period of three months, which shall begin to run from the 1<sup>st</sup> day of the month following the month in which the written order was delivered to the Manager.

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2. Termination of the Agreement in the event that the conditions for termination have been met shall be considered as the presentation of an order to pay out the entire value of the investment that is to be paid out.
3. The Investor may not issue a payment order earlier than after the expiration of the termination period of the relevant Sub-fund or after the expiration of the investment horizon. If a payment order is delivered earlier, such order is deemed to have been delivered to the Manager only on the termination date of the Sub-fund or on the expiration date of the investment horizon, whichever of these circumstances occurs earlier.
4. The payment order must be issued in writing and must include the Investor's name and signature, otherwise it shall be void.
5. The amount calculated in accordance with these Conditions shall be paid by the Manager on the Investor's bank account specified in the of these Conditions not later than within 2 calendar months after the expiration of the period specified in Art. VII.1. of the Agreement. Unless agreed otherwise between the Manager and the Investor, the monetary funds shall be paid in the currency of the Investor's deposit.
6. The Manager is restricted by the law as to the maximum volume of the managed assets, i.e. may not exceed the relevant threshold defined in the Act. In the volume of the assets under the Management is equal to or exceeds 90 % of the relevant threshold, the Manager shall be obliged to ensure within delay but not later than within 30 calendar days that the relevant threshold is no longer exceeded. In such case, the Manager may pay out, in particular, a part of the Share in the Common Portfolio.
7. If no order for payment of the entrusted funds has been issued upon termination/close of a Sub-fund, the Manager shall be entitled, at his own discretion, either to pay out the funds to the Investor or to re-invest them in a Sub-fund that is currently open for investments.

## IX. Risks

1. The expected or potential yields are not guaranteed. Past yields do not represent a guarantee for future yields. The investment entails a risk of fluctuation of value and the rate of return of the originally invested funds is not guaranteed (**market risk**).
2. The potential yield on every form of investment is closely related to a risk. The higher the expected yield, the higher the potential risk. Short-term trading in investment instruments (such as margin transactions, derivatives) entails a higher risk of loss.

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3. Investment instruments denominated in foreign currencies are also exposed to fluctuations resulting from changes of foreign exchange rates, which may have both positive and negative impacts on the rates, on the appreciation or yields thereon generated in other currencies, or on their other parameters (**currency risk**).
4. The availability or merchantability of investment instruments may differ; therefore, it may be difficult to purchase or sell a specific investment instrument (**liquidity risk**).
5. Making investments in investment instruments is generally exposed to certain risks, which result, in particular, from the nature of the specific investment instrument, as well as from the laws and practice of the relevant financial markets or countries (**legal risk**).
6. The Manager shall not pay dividends and shall not make any other ongoing payments to the Investor.
7. These Conditions constitute an integral part of the Investor's Agreement. By signing the Agreement, the Investor represents that he is aware of all of the above-mentioned risks related to the Management and has fully understood such risks.

## **X. Change of the Conditions**

1. The Manager may unilaterally change the Conditions, and each such change shall become effective vis-à-vis the Investor as of the last day of the month following the month when the new or amended Conditions were issued.
2. The Manager is obliged to notify the Investor in writing (e.g. by e-mail) of any change of the Conditions. If the Investor disagrees with a change of the Conditions and notifies the Manager of his disagreement in writing before the effective date of the Conditions, such disagreement shall be deemed to be an order for payment of the entrusted funds in an amount equal to the entire current value of the Investor's Share in the Common Portfolio and a notice of termination of this Agreement. The Manager shall be obliged to terminate the Management and to settle and pay out the entrusted funds not later than within 3 months after the delivery of the notice of disagreement with the change of the Conditions.

## **XI. Communication between the Parties; Notices**

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1. Any notices exchanged between the Manager and the Investor shall be sent to the addresses of the Parties set forth in the heading of the Agreement.
2. In case of a change of contact or payment date, the relevant Party shall notify the other Party of such change in writing within 5 business days after such change.
3. The Parties expressly agree that the written form shall be also preserved in case of an act executed by electronic or other technical means allowing to capture the contents of the act and to identify the acting persons (e.g. in the form of e-mail communication).
4. Any discrepancies identified in written notices and documents delivered by the Manager shall be notified by the Investor to the Manager in writing within 15 days after the delivery of any such document. In case of futile lapse of such time limit, the document shall be deemed approved by the Investor.
5. The Manager shall not be liable to the Investor or to other parties in the event that any document which was considered by the Manager (acting in good faith and with the adherence to the level of prudence that is common in the Manager's business) as being genuine or issued by the Investor or a person authorized to represent the Investor contained any defects or was not genuine.

## **XII. Validity and Effectiveness of the Conditions**

These Conditions have been approved by the Manager and are valid and effective from 1.1.2023.

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**Certificate Of Completion**

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**Signer Events**

Jiri Fiala  
 jf@dltg.fund  
 Security Level: Email, Account Authentication (None)

**Signature**

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Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	March 16, 2023   12:44
Certified Delivered	Security Checked	March 16, 2023   13:19
Signing Complete	Security Checked	March 16, 2023   13:20

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
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<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>