



---

**INVESTMENT SERVICES**

---

**AT UNICREDIT BANK**

---

**CZECH REPUBLIC, A.S.**

---



HOW EASY!

**UniCredit Bank Czech Republic, a.s.**, as one of the leading banks in the Czech Republic, would hereby like to familiarise its clients with basic rules on the provision of investment services by a bank, including a basic description of observing the relevant regulatory rules, and with the principles on protection of investment banking clients.

**UniCredit Bank Czech Republic, a.s.** is a part of a strong and high-performing European banking group, UniCredit Group, which holds a dominant position in Central and Eastern Europe. This enables **UniCredit Bank Czech Republic, a.s.** to facilitate its clients' foreign trade and contact with their partners.

**UniCredit Bank Czech Republic, a.s.** offers comprehensive and first-rate products and services provided by personal bankers who have corresponding expertise and an ample range of competences. Each client is dealt with by his or her personal banker on an individual basis and receives reasonable, useful and effective solutions and offers. The relationship between the personal banker and the clients is based on mutual trust and discretion.

#### Data on UniCredit Bank Czech Republic, a.s., basic information on the investment services provided

Data on the bank:

Business name: **UniCredit Bank Czech Republic, a.s.**

Registered office: Prague 1, Na Příkopě 858/20,

Postal Code 11121

ID No.: 64948242

Entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, file 3608 (hereinafter also the "**Bank**" or "**UniCredit Bank**").

Information regarding the licence to provide investment services

**UniCredit Bank Czech Republic, a.s.** is among the few providers of investment services in the Czech Republic that has fulfilled the exacting conditions imposed by the relevant legal regulations and the requirements of the Czech National Bank, and it holds the most extensive licence related to the provision of investment services and individual investment instruments.

The basic scope of the licence, broken down by individual investment services and financial instruments and therefore also providing a summary description of the services and instruments pursuant to Act No. 256/2004 Coll., on Capital Market Undertakings, as subsequently amended (hereinafter also the "**Act**"), can be expressed in a graphic and simplified form as follows:

		Investment instruments to which the service relates			
		Investment securities (shares, bonds, etc.)	Collective investment securities (participation certificates, etc.)	Financial market instruments	Derivatives and similar instruments
Investment services	Acceptance and delivery of orders	✓	✓	✓	✓
	Execution of orders	✓	✓	✓	✓
	Trading on one's own account	✓	✓	✓	✓
	Management of client assets	✓	✓	✓	✓
	Investment consultancy	✓	✓	✓	✓
	Operation of a multi-party trading system				
	Subscription and placement of shares	✓	✓	✓	✓

		Investment instruments to which the service relates			
		Investment securities (shares, bonds, etc.)	Collective investment securities (participation certificates, etc.)	Financial market instruments	Derivatives and similar instruments
<b>Supplementary services</b>	Custody and administration of investment instruments	✓	✓	✓	
	Provision of a credit or loan to a client for the purpose of facilitating a trade with an investment instrument	✓	✓	✓	✓
	Consultancy activity concerning capital structure, industrial strategy, etc.		✓		
	General investment recommendations and analyses of investment opportunities, etc.	✓	✓	✓	✓
	Performance of foreign-currency operations		✓		
	Services connected with subscription or placement of issues	✓	✓		
	Service similar to an investment service concerning the property value (of the underlying asset) to which a derivative relates				

A detailed scope and exact lists can be consulted on the official web page of the Czech National Bank: [http://www.cnb.cz/export/CZ/Seznamy\\_a\\_prehledy/Seznam\\_rol\\_i.page](http://www.cnb.cz/export/CZ/Seznamy_a_prehledy/Seznam_rol_i.page).

State supervision over the capital market in the Czech Republic is performed by the Czech National Bank (Česká národní banka). UniCredit Bank was issued the relevant licence to provide investment services by the Czech National Bank on 16 January 2004, under ref. no. 2004/141/520.

The contact information for the Czech National Bank is as follows:

#### Česká národní banka

Na Příkopě 28, 115 03 Prague 1

tel.: +420 224 411 111

fax: +420 224 412 404

[www.cnb.cz](http://www.cnb.cz)

Green Line (designated in particular for lodging complaints)

tel.: +420 800 160 170

(Address of the filing room: Česká národní banka,  
Senovážná 3, 115 03 Prague 1;

Electronic filing room: [podatelna@cnb.cz](mailto:podatelna@cnb.cz))

Membership in professional associations, public markets and settlement systems:

– Česká bankovní asociace – Czech Banking Association (<http://www.czech-ba.cz>)

– Asociace pro kapitálový trh ČR – Czech Capital Market Association (<http://www.akatcr.cz>)

– Burza cenných papírů Praha, a.s. – Prague Stock Exchange ([www.pse.cz](http://www.pse.cz))

– Centrální depozitář cenných papírů, a.s. – Central Securities Depository Prague ([www.cdcp.cz](http://www.cdcp.cz))

#### Client communications

The Bank highly emphasises flexible and prompt communication with its clients. Each client can contact his or her relationship officer with any question concerning the provision of the relevant investment service or investment instrument. In case the client is unsure about the specific contact information of his or her relationship officer, the client can contact the telephone number +420 221 112 111 or the Info Line at 800 144 441. Additional contact information can be found on the Bank's website: [www.unicreditbank.cz](http://www.unicreditbank.cz).

UniCredit Bank is able to communicate with its clients not only in Czech but also in English and German. Similarly, in addition to the Czech versions, key contractual documentation of the Bank is available also in English and German versions.

Communication between the Bank and the client related to the performance of the relevant investment service, particularly regarding placement of orders, takes place either personally at a point of sale of the Bank or in writing, by telephone or by facsimile message. The Bank is entitled to record the communication with the client. Specific rules

governing placement of orders by a client, including possible alternative forms of communication, are set forth in the relevant agreement and/or the business terms and conditions on the provision of an investment service.

The Bank provides its clients with regular reports on the investment services provided. In the case of those investment services for which the Bank accepts client orders, the client is informed of the executed trade without any delay after the trade has been executed (or, as the case may be, once the Bank has received information on the execution of the trade), whereas if the Client agrees, he or she is informed in such a way which allows remote access. The Bank uses abbreviations (e.g. for market identification or order type) in such information in a standard manner. A list of these abbreviations along with their explanation is given in the document List of Abbreviations Used, which is available at the Bank's branches or on its webpage.

As regards other services, the Bank delivers regular statements and reports to the client. The scope, frequency and dates, or possible variants thereof, are stipulated by legal regulations, and, in compliance with these regulations, the Bank concludes an agreement with the client on specific conditions according to the client's preferences.

### **Scope of provided investment services and the related contractual conditions**

The Bank offers its clients the possibility of investing in funds and trading with securities in domestic and foreign markets through a wide range of foreign and domestic stocks, bonds, collective investment securities and other securities.

The substance of the respective contractual relationship is an activity of the Bank, which, based on the client's orders and on the client's behalf, and usually in the Bank's name (commission contract), or as the case may be in the client's name (mandate contract), arranges the purchase and sale of securities. Therefore, the Bank performs acceptance, delivery and brokerage of the client's investment orders for the client.

The places of exchange where the Bank arranges for the relevant trades with securities generally are regulated markets (stock exchanges, etc.). Alternatively, the Bank – in particular regarding foreign securities – delivers the order for executing the trade to a reputable securities dealer (usually from the UniCredit Group) having access to the relevant

foreign markets. In the case of such securities the brokerage of which consists in securing their subscription or, as the case may be, redemption (repurchase), the place of executing the client's order is the issuer itself or a person authorised by the issuer or by another pertinent person (typically in the case of fund participation certificates the registrar and the transfer agent).

For this type of investment service and the relevant agreement type, such terms as brokerage, intermediation or arrangement of a trade in an investment instrument are also typically used.

A detailed explanation and description of the rules for executing clients' orders, including a list of places of exchange, are stated in a separate document of the Bank entitled Order Execution Policy.

The Bank is also a professional partner in the offer of derivative treasury products. In this area, the Bank offers its clients, in particular, various options of hedging against market risks and the like.

The contractual conditions or specific agreement for derivative or similar products essentially consist in the fact that the client can conclude forward transactions directly with the Bank for which the amount of the future delivery depends on the development of the underlying values (exchange rates, interest rates, etc.). The Bank then proposes the parameters of a transaction relevant to the client's request, and it is entirely at the client's discretion whether or not he or she ultimately decides to conclude the given transaction with the Bank. The contractual parties are obliged to settle the respective payable amounts resulting from the agreed transactions. In the case of options, the option buyer is obliged to pay the price of the option (the option premium), and otherwise no fees are paid for the relevant transactions.

The provision of the relevant investment service is often referred to in the market as treasury activity, dealing, trading, or the like.

The Bank also provides investment consultancy service to its clients.

Investment consultancy is carried out on the basis of a separate agreement which establishes the obligation of the Bank to actively review the appropriateness of every

instruction of the client with respect to an investment instrument in terms of the client's knowledge, expertise, and, in particular, his or her financial background and investment goals (i.e. the client's investment profile). In the event that such potential trade with an investment instrument or such investment service is not appropriate, the Bank shall explicitly notify the client of such fact and shall not carry out such order that is not in conformity with the client's investment profile and which could cause damage to the client.

Furthermore, UniCredit Bank is a reputable provider of the investment service of custody and administration of investment instruments. Along with the basic activities consisting in the physical custody of securities certificates and exercise of the basic rights stemming from holding securities (collection of returns, etc.), the contractual relationship may also cover – depending on the agreement with the client and on the character of the investment instrument – services consisting particularly in maintaining relevant records on the investment instruments (especially in managing securities holders' accounts, etc.).

Additionally, UniCredit Bank has maintained an important position on the Czech market as an issuer of its own securities, in particular bonds, including mortgage-backed securities.

The contractual relationship in this area is similar to brokering the purchase (in this case, subscription) of the specific security being issued.

On the basis of the relevant contractual relationship concluded for the provision of a specific investment service, the client undertakes to pay the Bank remuneration for this activity including potential related costs. More detailed information on the Bank's remuneration and costs (fees) for provision of investment services is specified in a separate document of UniCredit Bank, the Price List of UniCredit Bank Czech Republic, a.s. (hereinafter just the "Price List").

The client is informed by the Bank in advance of the total price of the provided investment service, including any and all fees, taxes on such fees paid through the Bank, and other possible related costs as well as any additional financial obligations arising from the provision of an investment service with regard to a specific order (trade).

In addition to this summary of individual investment services and basic conditions of the relevant contract, the Bank always makes it possible for its clients to familiarise

themselves in detail and in advance with the wording of the contract and of other related documents. The Bank's specialists stand ready to respond to any questions concerning the provision of the investment services and to give the necessary explanations so as to ensure that the client is sufficiently satisfied prior to signing the contract that the contractual conditions are clear to him or her.

The Bank provides the investment services directly and in offering them can also cooperate with contracted agents pursuant to Section 32a et seq. of the Act.

The client is informed about any potential conflicts of interest, about inducements accepted or given by the Bank upon provision of the investment service, and about the related rules of the Bank in a separate document entitled Conflict of Interests Policy. In particular, the Bank has established such procedures that ensure that the client will be informed about the risk of a potential conflict of interest and about inducements essentially on the basis of individual orders (trades).

UniCredit Group also comprises the investment companies of the investment group Pioneer Investments, which manage the renowned Pioneer collective investment funds and provide management of clients' assets (hereinafter just "Management"). The Bank intermediates for its clients the purchase of investment instruments issued by these collective investment funds and the Management investment service.

When arranging for the Management investment service, the Bank shall ensure – on the basis of its contractual covenant with the company providing the Management service (hereinafter just the "Manager") – that the client's knowledge, expertise, financial background and investment goals are ascertained in detail and that the client's investment profile is evaluated. On the basis of this investment profile so ascertained, the Bank shall recommend to the client an investment strategy for the portfolio corresponding to the investment profile and shall conclude the relevant contract with the client in accordance with the authorisation provided by the Manager.

The Management carried out by the Manager consists in buying and selling investment instruments with the goal of achieving the optimal performance of the managed portfolio. Orders for purchases and sales of investment instruments for the portfolio are given by the portfolio manager, not by

the client himself or herself. The client undertakes to pay the Manager the agreed remuneration for such Management of the client's assets.

There are a number of different names for this investment service on the market such as, in particular, portfolio management, asset management, asset administration, and others.

### **Investment questionnaires**

Pursuant to the legal rules and regulations governing the provision of investment services not only in the Czech Republic but also within the EU, the Bank is obliged, prior to providing an investment service, to require specific information from the client so that the investment instruments and services may be provided with the necessary professional care.

Increased protection is provided, however, only for the investment consultancy service and portfolio management of a client's assets. In such case, the Bank reviews the client's expert knowledge and experience in investments and in particular his or her financial background and investment goals. The Bank shall not carry out any transactions with investment instruments or investment services that would not be appropriate for the given customer with regard to the client characteristics mentioned above.

In the case of all other investment services, however, the Bank reviews with the client, pursuant to the Act, only his or her expert knowledge and experiences in the area of investments. In the event that the relevant transactions are unsuitable given the client's expert knowledge and experiences, the Bank is obliged only to notify the client of such fact but shall nevertheless carry out the transaction according to the client's orders. Thus, the responsibility for the respective investment decision is borne exclusively by the client and in no way by the provider of investment services.

### **Investment instruments and their risks**

Investment instruments can be classified according to various aspects. From the client's point of view as the investor, classification according to the risk undertaken by the client when investing in the investment instruments is clearly the most appropriate. In this respect, investment instruments can be classified into the following groups:

- (i) Investment instruments with a partially secured return of the invested amount,
- (ii) Investment instruments entailing a risk of a loss of up to 100% of the invested amount;
- (iii) Investment instruments entailing risk of a loss of up to 100% of the invested amount and a creation of other, additional financial obligations.

#### Ad (i)

Investment instruments with a partially secured return of the invested amount are, in particular, instruments for which legal regulations or the terms and conditions of the issue set out an obligation for the issuer to repay the investor at least the invested amount upon the instrument's maturity. Furthermore, these include instruments for which the return of the principal is guaranteed by the provision of a third party guarantee. In some cases, a key condition for the return of the invested amount is the requirement to hold such investment instruments until their maturity.

These investment instruments usually include bonds, treasury notes, and participation certificates of guaranteed equity funds.

During the time of holding such an investment instrument, its market price may fluctuate, but such fluctuation of the market price has no impact on the return of the invested amount at the time of its maturity. Some issuers and/or persons or entities providing guarantee may lawfully participate in a guarantee system, from which partial compensation is paid in case the issuer and/or the person or entity providing the guarantee are unable to meet the obligations. In case of bankruptcy of the issuers and/or persons or entities providing guarantee who do not participate in such guarantee system, the return of the whole invested amount can be in peril.

#### Ad (ii)

Investment instruments entailing a risk of a loss (and in some cases, a loss of up to 100%) of the invested amount are those instruments for which the option of redemption of the investment instrument by the issuer is not used or for which such option is not given by law. The key factor for the investor is the market price of the investment instrument.

Such investment instruments typically include those mentioned in para. (i) above not held until maturity, participation certificates, certificates, stocks, purchased options, and others.

During the time of holding such an investment instrument, its market price can fluctuate considerably. Therefore, at the time of selling such investment instrument, there is a risk of losing a part or all of the invested amount.

Ad (iii)

Investment instruments entailing a risk of a loss of up to 100% of the invested amount and, furthermore, of the creation of other, additional financial obligations are such instruments as include a legal obligation for the client to pay other financial obligations depending on the development of the market price of the investment instrument. This category also comprises such investment instruments that do not require any initial investment but the substance of which entails a potential creation of financial obligations for the client in the future.

Such investment instruments typically include those of the derivative type and, in general, any purchased by loan (on credit).

These investment instruments are mostly connected with so-called leverage. Leverage can be generally defined as a mechanism by which a small percentage change of the price of the underlying asset of a derivative or an investment instrument bought on credit results in a several-fold change in the profit or loss regarding the funds invested by the client.

During the time of holding such an investment instrument, its market price can fluctuate considerably. Therefore, at the time of selling such investment instrument, there is a risk of losing a part or all of the invested amount, and additional financial obligations may even arise for the client.

The expected yield, connected risk and liquidity, in particular, must be taken into account for any investment decision. Typically, these values are directly proportional, i.e. the higher the expected yields, the higher the risks, and vice versa.

General information about the basis of the individual types of risks connected with investment instruments:

Market risk – means the risk of a change (decrease) of the market price of the investment instrument due to some market factors (such as interest rates, exchange rates, prices of underlying assets, etc.). Exchange rate risk and interest rate risk are among the examples of market risk.

Exchange rate risk – is one of the forms of market risk.

Exchange rate risk increases the total market risk of an investment instrument based on a potential change in the exchange rate. For example, securities denominated in USD entail a risk, in the event of a weakening of the USD, that there will be a decline of their market price denominated in CZK without the price of these securities denominated in USD changing in any way. Exchange rate risk concerns, in particular, investment instruments denominated in other than domestic currency, as well as currency derivatives.

Interest rate risk – is another form of market risk. It expresses a change (decrease) in the market price of an investment instrument depending on a change in interest rates. This concerns, in particular, trades with debt securities and interest-rate derivatives. The market price of most debt securities develops inversely to the development of interest rates.

Liquidity risk – liquidity is the capacity for a prompt conversion of an investment instrument into cash. In the case that an investment instrument has low liquidity, a transaction involving it may be burdened with additional transaction costs, or it may even be impossible to carry out such transaction at the requested date. Liquidity risk is particularly relevant in the case of little-traded, structured or individualised investment instruments and with such investment instruments in which the buyer undertakes to hold the instrument for a certain minimum period of time.

Issuer's risk – expresses the probability that an issuer of securities will not be able to honour its obligations flowing from such securities (e.g. incapacity to redeem bonds), or that there will be a significant decline in the market price of the given security (of, for example, a stock) as a result of bad decisions by the management or due to the company's poor financial performance.

Segment risk – is connected with investment instruments the market price of which can be impacted by the economic situation of a given segment of the economy.

Political risk – is connected with such instruments whose market price, transferability, owner's rights, and the like can be influenced by a change of political situation (e.g. due to an introduction of foreign currency restrictions, nationalisation, etc.).

The client can manage the aforementioned risks in certain ways and can protect himself or herself against these risks.

Nevertheless, with regard to some of the risks, negative impacts cannot be entirely excluded. The main tools for managing risks include selection of instruments with good ratings, diversification, and hedging. The Bank's offer primarily includes high-quality investment instruments in the sense that they have optimal tradeoffs between their potential returns and their risks. The Bank especially prefers issuers and investment instruments having so-called investment grade ratings. Diversification of risks means dividing investments among multiple investment instruments the potential yields and connected risks of which are, if possible, independent of one another (e.g. exchange rate risk can be mitigated via investment into instruments denominated in various currencies, etc). Hedging is understood to be a tailored, sophisticated, and typically a derivative structure in which a potential loss from one asset is compensated by a gain from holding another asset (investment instrument).

The client will receive detailed information regarding specific individual investment instruments that are provided by the Bank (including information on the nature and characteristics of an investment instrument; risks connected with that investment instrument; notification about a leverage effect [if applicable] and about the risk of losing the entire invested amount; risks connected with the particular components in a complex instrument and their description; interaction of such components and their impact on increasing of risks; price fluctuation of an investment instrument and potential limitations upon market accessibility; the client's obligations connected to an investment instrument or arising in connection with transacting in such investment instrument; requirements related to trading on loan or to any similar manner of trading; the existence and conditions of pledge rights or other similar rights which the Bank has or might have with respect to the investment instruments or funds of the client, or, if applicable, on a set-off right, right of lien or other similar right of a depositary to the investment instruments or funds of the client; and on possible guarantee by a third party, including data on the guarantor, etc.). For some investment instruments, the Bank issues so-called product info-lists which contain the above specified information.

### **Protection of client's assets**

The Bank is obliged to observe the following rules for holding the client's investment instruments or funds, and, in order to do so, the Bank takes in particular the following steps:

- (i) maintains such records, and especially accounting records, which thoroughly ensure separation of the assets held for one client from the assets held for other clients and from the Bank's own assets;
- (ii) maintains and makes records in relation to investment instruments as prescribed by law (separate and relating registers of records);
- (iii) performs regular reconciliations of accounting and other obligatory registers concerning the client's financial instruments and funds;
- (iv) provides the client regular statements from the relevant registers;
- (v) in accordance with its statutory obligation, the Bank is a participant in the following compensation systems:
  - Securities Brokers Guarantee Fund,
  - Deposit Insurance Fund.

The Bank, as a securities broker, is a party to the compensation system pursuant to Section 128 et seq. of the Act secured by the Securities Brokers Guarantee Fund (hereinafter just the "SBGF") and to which the Bank contributes in accordance with the provisions of Section 129 of the Act.

Detailed explanatory information on the SBFG, information on the conditions for providing compensation, information on calculating the amount of compensation from the SBFG, information on persons not entitled to receive compensation from the SBFG, and other details of the guarantee system are contained in the document "Information on the Guarantee System of the Securities Brokers Guarantee Fund".

Explanatory information on the respective compensation system and rules for filing claims is available at the address: <http://dmsdoc.ziba.cz/download?webid=355823>.

The Bank, as a securities broker, is not a direct party to the compensation system on foreign markets. On the basis of its contractual relationships, however, the Bank always uses investment services provided by partner banks that participate in the compensation systems according to the legislation of the respective markets.

Investment instruments or funds entrusted to the Bank by the client, including those that may be obtained for the client within the provision of an investment service, may, and usually will, fall under the management of a third party that the Bank uses in performing its services.

Such third parties include entities that must be used by the Bank in order to duly perform the investment service, especially to ensure the following activities:

- (i) executing and settling a transaction in investment instruments (typically, transfer of investment instruments or funds),
- (ii) maintaining relevant records of investment instruments or securities,
- (iii) custody of investment instruments (i.e., meaning especially the physical entrustment of an investment instrument),
- (iv) administration (i.e., meaning especially authorisation to exercise rights pertaining to the respective investment instrument, but not necessarily the physical entrustment), and
- (v) maintaining clients' cash accounts (jointly referred to as "custodians").

Typical examples of such custodians are central securities depositories, banks maintaining clients' accounts for an investment services provider, depository banks or clearing and settlement centres, or clearing members in investment instruments markets.

If the Bank uses the services of custodians, they maintain the clients' investment instruments or funds under management in the Bank's name (or in the client's name) and keep them separate from the Bank's assets and the custodian's own assets. The Bank and the custodian take responsibility for the custodian's legal conduct and, especially, for the observance of its obligations in accordance with the pertinent legal regulations and agreed contractual relationships. In case of the custodian's bankruptcy, the Bank is always liable to return to its clients all investment instruments and funds held for them by the custodian. In this regard, the Bank in particular maintains corresponding records, carries out regular reconciliations, and is obliged to participate in appropriate client compensation systems.

**The Bank hereby expressly warns the client that the legal regulations to which a custodian's activity is subjected may, and usually do, allow for the entrusted investment instruments and funds to be recorded on a collective (aggregated) account. This involves higher risks and requirements particularly relating to the due and thorough maintenance of records and ability to unequivocally document the assets and ownership of investment instruments or funds of each particular client that are maintained on the collective**

**account. According to the legal regulations, the Bank is obliged in this regard always to maintain the following records in the name of the specific client.**

The Bank is obliged to provide to the client at least once per year a statement from the obligatorily maintained register of the clients' funds (unless these funds already are included in the statements from the cash accounts at the Bank) and investment instruments that the Bank records for the client. The client is entitled to request fitting explanations of or corrections to the records.

The Bank does not use such services of custodians that could prevent the client's investment instruments registered by the custodian from being identified separately from the investment instruments of that custodian or of the Bank.

The Bank primarily uses services of such custodians that are subject to regulations and legislation of the European Union, which ensures high standards of protection for holding the clients' investment instruments and funds. To the extent necessary for executing investment services for its clients, the Bank also uses custodians that are subject to regulations and legislation other than those aimed at protecting the investment instruments and funds of the clients of investment services providers in the European Union. Specifically, this means that the client's rights in relation to the entrusted investment instruments and funds may differ accordingly, especially with regard to the requirements for keeping separate records, inference of ownership, and the functioning of compensation schemes. In this case, however, the Bank always uses such custodians exclusively on the condition that they meet the following requirements:

- (i) the custodian operates in a country where a special regulation for the performance of its activity and, in particular, strict supervision over the financial market, similar to the standards applicable in the European Union, are implemented (for example, the USA);
- (ii) the custodian functions as a local branch of a custodian that has its registered office in the European Union, and it is obvious that the standards of the custodian with its registered office in the European Union apply to its entire network;
- (iii) the custodian operates in a country where the UniCredit Group is represented and is therefore aware of the local regulations and their acceptability in terms of the standards of protection for holding clients' investment instruments and funds.

In accordance with the legal regulations, and in relation to the investment instruments or funds entrusted by or held for the client, the Bank may enforce a right of lien, right of pledge, right to setting off, right to supplement the security, right to final settlement, or any other similar right, and especially in the sense of the legal regulations governing the institution of financial security. The specific conditions and options for enforcing these rights are always governed by the respective contract concerning the investment service in question. Certain similar rights in accordance with the legal regulations and specific contractual arrangements may also be enforced by the custodian, particularly the right of lien or right to setting off. This, however, does not affect the Bank's obligation to release to the client the investment instruments or funds entrusted by or held for the client, regardless of the possible enforcement of such rights of the custodian towards the Bank and to the debit of the client's assets, while taking into account any potential legal claims of the Bank against the client.

The Bank does not use investment instruments that are part of the client's assets for purposes of making transactions consisting in the financing of securities or transactions on its own account or on the account of any other client.

#### **Other important information**

In addition to the information included in this document, the Bank alerts the client of several other important informational documents that concern the provision of investment services by the Bank.

The Bank is obliged under the Act to place each client to whom it intends to provide an investment service into a so-called client category. As part of this process, the client will obtain the respective **instructions relating to categorisation**, which include differences in dealing with

non-professional and professional clients and eligible counterparties and specify the principles of the respective levels of protection.

The client should devote maximum care to reviewing the **contractual documentation**. The Bank always provides sufficient time to the clients to read it carefully and is prepared in particular to answer questions so that the client fully understands all arrangements.

The Bank, including the international financial group of which it is a member, places maximum emphasis on protecting the interests of its clients. For this reason, special rules are established and published by the Bank in the document **Conflict of Interests Policy**.

Should exceptional cases occur in which the client suspects that the investment services provided lack due and professional care, the Bank has established and hereby refers the client to the **Claims Procedure**. These ensure that the client always receives the most satisfactory solution and that the Bank receives feedback allowing it to continue to improve its services.

If UniCredit Bank executes orders in relation to investment instruments for the client's account, the client may not be sure in today's diverse and global financial world how the Bank ensures the best execution for the client. For this reason, the Bank publishes a special document entitled **Order Execution Policy**. It provides the client with all the necessary information and the terms and conditions for executing investment orders and lists the places of exchange used by the Bank.

All prices of investment services provided by UniCredit Bank Czech Republic, a.s., including the associated costs and fees, are contained in the Bank's **Price List**.

Notice: This document represents a basic document in the sense of fulfilling the information obligation of investment services providers pursuant to the provisions of Section 15d of Act No. 256/2004 Coll., on Capital Market Undertakings, as subsequently amended, and the provisions of Sections 19 and 20 of Decree No. 303/2010 Coll., on more detailed amendment of certain rules in the provision of

investment services. Other specific information is contained in the separate documents of the Bank, including in particular the Order Execution Policy, Conflict of Interests Policy, Information on the Guarantee System of the Securities Brokers Guarantee Fund, Claims Procedure, Price List, product lists for individual investment instruments, and others.



HOW EASY!