

# PRODUCT BUSINESS TERMS AND CONDITIONS FOR TRADING IN FOREIGN SECURITIES, THEIR CUSTODY AND/OR DEPOSIT

(hereinafter referred to as the “Product Business Terms and Conditions”)

UniCredit Bank  
Czech Republic and Slovakia, a.s.

Life is full of ups and downs.  
We're there for both.

Welcome to  
 **UniCredit Bank**

## 1. DEFINITION OF TERMS

**“Bank”** – UniCredit Bank Czech Republic and Slovakia, a.s., having its registered office in Prague 4 – Michle, Želetavská 1525/1, 140 92, ID No. 64948242, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, file 3608.

**“Customer’s Account”** – an account of the Customer maintained by the Bank and designated by the Customer as the account for financial settlement of trades in Securities and of all financial obligations and claims arising on the basis of the Agreement, the Product Business Terms and Conditions and the General Business Terms and Conditions. This account is always maintained in the currency of the traded Security.

**“Investment Questionnaire”** – a document of the Bank that serves as a basis for obtaining information about the Customer in accordance with the legal regulations governing the terms and conditions of providing investment services for the purpose of warning the Customer about investment instruments (Securities) that may not be suitable for the Customer considering his or her expert knowledge and experiences in investing.

**“Asset Account at the Bank”** – an account established and maintained by the Bank in its internal system for the Customer. The Customer’s Securities entrusted to the Bank are maintained and registered in the Asset Account at the Bank for the purposes of providing investment services in accordance with the Agreement. The Asset Account at the Bank can be either the owner’s asset account according to provisions of Section 526 of the Civil Code or in accordance with another legally recognised registry of Securities, or it may be an account of purely evidentiary nature maintained by the Bank for the Customer separate from any legally recognised registry of Securities, or in parallel with such registry.

**“Civil Code”** – Act No. 89/2012 Coll., the Civil Code, as subsequently amended.

**“General Business Terms and Conditions”** – General Business Terms and Conditions of UniCredit Bank Czech Republic and Slovakia, a.s.

**“Trading Day”** – any day in which it is possible to trade in a given security on the relevant market. As such, every business day in the Czech Republic is a trading day, except days when trading on the relevant markets does not take place.

**“Remuneration”** – remuneration of the Bank for executing Orders and providing deposit and/or custody investment services for purchased Securities as established by the Price List or as arranged in the Agreement.

**“Valid Market Rules”** – the valid legal regulations of the Czech Republic, as well as the rules, decrees, and customary or general practices of the markets on which Securities are traded, together with the rules of settlement systems and of entities authorised to manage the central register of Securities.

**“Funds”** – funds recorded in the Customer’s Account maintained by the Bank that are used for the purchase of Securities based on the Agreement or which are transferred to the Customer’s Account by the Bank from the sale of Securities based on the Agreement.

**“Order”** – an instruction of the Customer for the Bank to purchase or sell Securities.

**“Policy on Order Execution”** – a special Bank document by which the Bank establishes rules for executing customers’ Orders through the application of which in executing the Orders ensure that the best possible trading outcome is always achieved for the Customer.

**“Confirmation”** – a written confirmation as to the result of procuring a purchase or sale of Securities.

**“Claims Procedure”** – the Bank’s rules for the Customer’s asserting claims concerning faultily provided services.

**“Agreement”** – a written agreement concluded between the Bank and the Customer on the basis of which the Bank will receive from the Customer Orders to purchase or sell Securities. Based on these Orders, the Bank, as a broker for the purchase or sale of Securities, will procure and provide custody and/or depository services for any purchased Security.

**“Inside Information”** – precise information that directly or indirectly concerns an investment instrument that was admitted for trading on a regulated market of a European Union member state or whose admission for trading on a regulated market of a European Union member state was requested (hereinafter just a “financial instrument”), or that concerns another instrument that was not accepted for trading on a regulated market of a European Union member state and whose value is derived from such a financial instrument, or that concerns the issuer of such investment instruments or other facts significant for the development of the quoted price or other price of such financial instrument or its return, if this information is not publicly known and if after it would become publicly known it could significantly affect the price or return of that investment instrument or of another instrument whose value is derived from that financial instrument.

**“Settlement Amount”** – the amount corresponding to the purchase price (volume) of a trade concluded based on an Order, including the Remuneration and Transaction Costs under the Agreement.

**“Foreign Securities”** – hereinafter referred to as **“Securities”** – investment instruments designated by the Bank that are issued abroad in accordance with the laws of another state and traded outside the territory of the Czech Republic on and off regulated markets. Futures are specifically not designated by the Bank to be securities.

**“Act on Capital Market Undertakings”** – Czech Republic Act No. 256/2004 Coll. on capital market undertakings, as subsequently amended.

Unless specifically defined in the Product Business Terms and Conditions, terms written with initial capital letters have the same meanings as in the Agreement and General Business Terms and Conditions.

## 2. SCOPE

**2.1** The Product Business Terms and Conditions apply for the following operations:

- Procuring a purchase or sale of Securities – the Bank undertakes that it will arrange for the Customer, in its own name and on the Customer’s account, the purchase or sale of Securities or that it will perform such operations and the Customer will pay Remuneration for the provision of this service. The Bank is entitled to delegate a third party to procure the purchase or sale of Securities.
- Custody of book-entered Securities – in procuring the purchase of a book-entered Security, the Bank is obliged to provide custody for that security. In providing custody for the book-entered security, the Bank will, to the extent defined by the Agreement, the Product Business Terms and Conditions and the General Business Terms and Conditions, take defined legal actions necessary for the exercise and preservation of the rights connected to the given Security, and the Customer will pay Remuneration for the provision of this service.
- Deposit and custody of non-book-entered Securities – in procuring the purchase of a non-book-entered Security, the Bank is obliged to deposit and provide custody for that Security. The Bank will take the purchased Security into safe-keeping and custody, and the Customer will pay Remuneration for the provision of this service.

**2.2** The Bank and the Customer have agreed and declare that the Bank in providing custody of the Securities and performing the activities according to the Agreement does not perform custody of the Securities or Funds on the Customer’s Account as custody of for-

oreign property as defined by the provisions of Section 1400 et seq. of the Civil Code. In order to exclude all doubt, the Bank and the Customer have agreed that the provisions of Sections 1400–1447 of the Civil Code do not apply to their Agreement on custody of Securities or Funds on the Customer’s Account or to any other provisions of the Agreement.

### **3. VALIDITY OF GENERALLY BINDING LEGAL REGULATIONS, RULES AND CUSTOMARY BUSINESS PRACTICES**

The purchase and sale of Securities and other investment services provided under the Agreement are governed by the Agreement, the Product Business Terms and Conditions, the General Business Terms and Conditions and the Valid Market Rules.

### **4. AUTHORIZATION AND IDENTIFICATION**

**4.1** In matters of Securities trading, and in particular in submitting Orders for the purchase or sale of Securities or for their change or cancellation, persons other than the Customer may act in the Customer’s name if they are stated on the Specimen Signature card. By stating another person on the Specimen Signature card, the Customer authorizes such person to for the purchase/sale of Securities and for requesting a statement from the Asset Account in the Bank. Unless explicitly agreed otherwise, any authorised person stated on the Specimen Signature card is entitled to represent the Customer on an individual basis. Unless explicitly agreed otherwise, the authorisation shall cease to exist upon death of the Customer – individual or upon dissolution of the Customer – legal entity.

**4.2** In matters of Securities trading, and in particular in submitting Orders for the purchase or sale of Securities or for their change or cancellation, persons other than the Customer may also act in the Customer’s name by presenting a special, written power of attorney issued by the Customer and containing explicit authorisation for all or particular such operations. The Customer’s signature on the power of attorney must be officially verified, unless the power of attorney is signed in person in the presence of an employee of the Bank. Unless explicitly agreed otherwise, any authorised person stated on the Specimen Signature card is entitled to represent the Customer on an individual basis. Unless explicitly agreed otherwise, the authorisation shall cease to exist upon death of the Customer – individual or upon dissolution of the Customer – legal entity.

**4.3** Unless the Order is signed in person in the presence of an employee of the Bank, the signature of the signing person (the Customer or the authorised person) must be officially verified.

**4.4** The Customer is obliged to inform the Bank, in writing and without undue delay, of all changes to his or her personal information or to information about the person or persons authorised by the Customer to submit Orders for trading and to duly substantiate these changes. The Bank is not liable for damages arising from failure to report such changes. This article does not affect the governing of exclusion or limitation of the Bank’s liability according to the General Business Terms and Conditions and the Product Business Terms and Conditions.

**4.5** The Customer is obliged to inform the authorised person or persons regarding the Agreement, the Product Business Terms and Conditions and the General Business Terms and Conditions and is responsible for their observance by such persons.

**4.6** The Bank may be exempted from its obligation to procure a purchase or sale of Securities under the Agreement and the Product Business Terms and Conditions by selling to the Customer a Security from its own portfolio or by itself purchasing a Security from the Customer.

### **5. RECEIVING AND EXECUTING ORDERS**

**5.1** The Bank procures a purchase or sale of Securities and provides the related investment services on the basis of an Order from the Customer or authorised person if that Order is submitted in accordance with the relevant provisions of the Agreement, the Product Business Terms and Conditions and the General Business Terms and Conditions.

**5.2** Orders must be issued in written documentary form unless a different method of submitting Orders is contractually agreed between the Customer and the Bank. A written Order must be presented in person by the Customer or a person authorised by him or her at the relevant workplace of the Bank using a computer-processed or printed form that the respective Bank officer shall fill out according to the requirements of the Customer or a person authorised by him or her and sign jointly with the Customer or a person authorised by him or her. In signing the Order form processed in such manner, the Customer or person authorised by him or her confirms the accuracy of its contents. The compulsory data for an Order is given in sample Order forms in accordance with the Product Business Terms and Conditions. If the data on the printed Order form differs from the mandatory data established in the Product Business Terms and Conditions, the contracting parties agree that the data stated on the printed Order form is considered decisive.

**5.3** The Customer is entitled to submit Orders also by telephone if this method of submitting Orders is based on contractual agreement between the Customer and the Bank and if the conditions agreed therein are satisfied. In such cases, the Order must contain at least the requisites stated under letters b) through f) of paragraph 4 of this article.

**5.4** The Customer’s Order must contain in particular the following data:

- a)** Customer identification (in particular, company or business name / first and last names, registered address / residential address, company ID number / birth identification number or, if no birth identification number has been assigned, date of birth, gender for individuals, or a substitute identification number for foreign legal entities, type and number of an identification document and, for foreigners, the passport’s country of issue);
- b)** ISIN, title or other unique identifier of the Security to which the Order relates;
- c)** trade direction (purchase or sale);
- d)** volume (number of items) of Securities;
- e)** period of the Order’s validity;
- f)** designation whether or not the Order may be executed only in part; if the Order does not contain such designation, it is understood that the Customer consents also to partial fulfilment of the Order;
- g)** name and signature of the Customer / person authorised by the Customer;
- h)** date of the Order’s submission;
- i)** other data and conditions under which the Order should be fulfilled; the Bank may refuse to accept an Order if it contains conditions that prevent the Order’s execution or if unreasonable difficulties or costs would be connected with its fulfilment; the Bank judges such unreasonableness and informs the Customer without delay of the Order’s refusal.

**5.5** In submitting an Order to the Bank, the Customer may specify a price condition as a highest or lowest price limit or as the at-market price. If a price limit is not stated in the Order, the Bank

will execute the purchase or sale at the price most advantageous for the Customer that can be obtained on the given market at the time of executing the trade and while exercising all professional care. Orders for procuring a purchase or sale outside of regulated markets can be submitted only with price limits.

- 5.6** A price-unlimited Order is effective from the moment of the receipt thereof by the Bank and, if not executed, it shall expire at the end of the trading Day on which the Bank receives the Order. The validity of a price-limited Order is determined by the Customer in the Order, in particular within the scope of the respective market. An Order connected with Securities which are collective investment securities is only valid for one Trading Day; if an Order to execute the trade is not delivered on the same day sufficiently in advance for it to be processed under the proper trading procedure, it will be carried over to the next Trading Day.
- 5.7** A price-unlimited Order for sale or purchase of rights connected with a Security (hereinafter referred to as "rights connected with Securities") is effective during the period of trading in the rights connected with Securities. A price-limited Order for sale or purchase of rights connected with Securities expires with the lapse of the penultimate day of trading in the rights connected to the Securities. Otherwise, the validity of an Order for purchase or sale of rights connected with Securities is governed by the pertinent customary practices in the foreign market where the Order is executed.
- 5.8** Price-limited Orders for purchase or sale of Securities on foreign markets can also expire due to a dividend payment, to another exercise of rights connected to the Securities, or to increasing the share capital from the company's funds, and in such case with the lapse of the exchange day in which the securities including the aforementioned rights were traded for the last time. In case of a change in the allocation of partially paid-up shares or a change of the par value of shares and in the case of a splitting of shares, price-limited Orders may expire with the lapse of the exchange day preceding the day in which the shares with an increased called-up capital or a changed par value or the split shares were quoted.
- 5.9** If on a foreign stock exchange a Security's price is not established due to special circumstances at the issuer or at the suggestion of the stock exchange's management (cancellation or suspension of the official quotation), the validity of all of a Customer's Orders relating to the securities in question and which are to be executed on the exchange may expire in accordance with the relevant regulations effective on that exchange.
- 5.10** The Customer may change or cancel his or her Orders. During an Order's validity period, the Customer may change the following particulars of the Order:
- quantity
  - price condition
  - time condition
- 5.11** The Bank will not carry out a change or cancellation of an Order if the instruction for the change or cancellation of that Order was submitted after the Order was executed.
- 5.12** The Customer shall submit instructions for a change or cancellation of an Order in written documentary form or by another method agreed for submitting Orders.
- 5.13** The Customer is entitled to issue only such Order that is in accordance with the extent of his or her authorisation to transact in the Securities to which the Order relates. An Order for sale of Securities may relate only to such Securities to which are connected all separately transferable rights and to which will not be attached either a right of lien or any other rights of third parties. Moreover, an Order for sale of Securities may not be submitted if an agreement has been concluded on the basis of which there will occur, or could occur, a transfer of separately transferable rights connected to these Securities. By issuing an Order, the Customer declares that all the aforementioned conditions are fulfilled and that he or she is fully entitled to submit the Order. In case of doubt, it is deemed that the Customer possesses the necessary authorisation for submitting an Order concerning a given Security.
- 5.14** Should the Customer's Order not contain some of the compulsory data stipulated in the Agreement or by the Product Business Terms and Conditions and should the content of the Order therefore not be entirely apparent, the Bank may refuse at its own discretion to execute the Order.
- 5.15** The data contained in the Order must be complete, accurate, clear and comprehensible. The Bank may alert the Customer to Orders that contain deficiencies that could jeopardise the Order's execution. If the Customer does not change or cancel an Order to which he or she was alerted by the Bank in the manner established by the Agreement or the Product Business Terms and Conditions, the Bank is entitled outright not to execute the Order or to execute it at its best discretion. In fulfilling the Order, the Bank will act with professional care and in the interest of the Customer.
- 5.16** The Bank is entitled at its own discretion to refuse to accept an Order without stating a reason. The Bank is entitled to refuse to accept an Order or to execute an already accepted Order in particular if (a) its content is in conflict with or evades legal regulations, the Product Business Terms and Conditions or provisions of the Agreement; (b) if it is unclear, incomplete, or incomprehensible; (c) if, in the case of a written Order, it is not affixed with the signature of an authorised person; (d) if the Customer has not performed actions or operations necessary for executing the Order; (e) if the Customer does not have in the Customer's Account sufficient funds to settle the entire purchase price including all costs and Remunerations or sufficient Securities in the appropriate asset account; (f) if in the Bank's opinion there exist reasonable doubts as to whether all conditions for the Order's execution are or will be satisfied; (g) if the Customer has gone into bankruptcy or, as the case may be, bankruptcy was declared or settlement was granted on the Customer's assets; (h) if the Customer has defaulted in fulfilling any of his or her obligations in accordance with the Product Business Terms and Conditions or the Agreement; or (i) if any declaration of the Customer pursuant to the Product Business Terms and Conditions or the Agreement proves to be false or incomplete. In determining whether the Customer has sufficient disposable funds, the Bank always takes into account the risks resulting from possible fluctuation in Securities prices and exchange rates.
- 5.17** The Bank is not liable for damages resulting from non-execution of incomplete, imprecise or delayed Orders or for damages incurred due to executing an altered or forged Order, provided that it was unable to recognise such fact and that it acted with all due professional care. Neither this article nor any other article of the Product Business Terms and Conditions and the Agreement affects the governing of exclusion or limitation of the Bank's liability according to the General Business Terms and Conditions.
- 5.18** In accordance with the valid legal regulations, the Bank always provides the Customer with information about a recently executed Order (transaction) no later than by the second day from its execution or from the day upon which it learned of its execution from third parties. This information is always available to the Customer at the Bank's business locations.
- 5.19** If there is a delay in settling a trade, the Bank always notifies the Customer of that fact by telephone, in writing or in another appropriate form.
- 5.20** If the Bank decides to execute an Order, it undertakes to do so in accordance with the conditions established in the Policy on Order Execution.



**5.21** If the Bank has a reasonable suspicion that by providing the service on the basis of the Order a market manipulation could occur, or that Inside Information was used in its submission, it will inform the Customer of this fact and request an explanation as to the purpose of the Order or propose a different method of achieving the same purpose which could not be considered market manipulation or use of Inside Information. If the Bank has reasonable suspicion even after the Customer's explanation that by provision of the service on the basis of the Order a market manipulation could occur or that Inside Information was used, or if the Customer does not accept the other method of achieving the same purpose proposed by the Bank and that could not be considered market manipulation or use of Inside Information, then the Bank will not execute the Order, will make a record of it, and will immediately inform the Customer, usually in written documentary form.

## **6. ORDER SETTLEMENT**

**6.1** The Bank's responsibility to settle an executed Order (i.e. to ensure the transfer of funds and Securities from the sale or purchase of Securities in accordance with the Order, the Agreement, the Product Business Terms and Conditions and the General Business Terms and Conditions) is conditioned upon the Customer's proper and timely delivery to the Bank of all Funds and Securities and submission to the Bank of information and documents essential for ensuring the Order's settlement, and that the Customer does so at or before the time of executing or fulfilment of the Order.

**6.2** Settlement of orders will be carried out under the conditions established in the Agreement, the Product Business Terms and Conditions and the General Business Terms and Conditions.

**6.3** The Customer is obliged to have an open Customer's Account at the Bank in the currency of the traded security for the entire period of the Agreement's validity. After executing an Order, the Bank shall settle the Settlement Amount with the Customer. In settling an Order for the purchase of Securities, the Bank shall debit the Customer's Account for the corresponding Settlement Amount, while, in settling an Order for sale of Securities, the Bank will credit the Settlement Amount to the Customer's Account.

**6.4** If in the stipulated time, but not later than on the standard or agreed day for settling a concluded trade, sufficient financial cover for the Order or already concluded trade is not secured due to the Customer's activity or inactivity, the Bank has the right to charge the Customer, in addition to the amount due, default interest in the amount defined according to the General Business Terms and Conditions as of the date of the trade settlement. The Bank is entitled to debit the amount due, including default interest, from any account maintained at the Bank in the Customer's name.

**6.5** If the Customer is in default in fulfilling a financial obligation to the Bank under the Agreement, including default in paying any amount of the Remuneration or costs the Customer owes to the Bank under the Agreement, and if such amount due is not paid by the Customer even in an additional period of 15 days from the first day of default, then the Bank is entitled to sell Securities purchased for the Customer in accordance with the Agreement in the Bank's own name and on the Customer's account, in part or in full, and the Bank shall be entitled to use the returns from the sale of the Customer's Securities for the purpose of satisfying and settling its receivables due from the Customer. For this purpose, the Bank is entitled to unilaterally set off the amount acquired from the sale of the Customer's Securities against the amount of the Customer's financial obligations due to the Bank. The Bank shall transfer any potential amount exceeding the Client's financial obligation due to the Bank to the Customer's Account. Before the Bank initiates such sale of the Customer's Securities, it must first inform the Customer in written documentary form of its intention to sell the Customer's Securities or otherwise proceed in ac-

cordance with this provision in order to satisfy and settle its receivables due from the Customer. The Bank must also inform the Customer in written documentary form of its intention to unilaterally set off the amount it acquired from the sale of the Customer's Securities against the amount of the Customer's financial obligations due to the Bank. The Bank shall provide the Customer with a sufficient period specified in the notice for paying his or her financial obligations. All costs related to the sale of the Customer's Securities according to this provision are borne by the Customer.

**6.6** In accordance with the provisions of Article 6.5 of the Product Business Terms and Conditions, the Bank can only sell the Customer's Securities via a securities dealer or another third party with similar competence, and do so at least at the price as established by a European regulated market. However, if the appropriate Securities have not been accepted for trading on a European regulated market, or if their price on a European regulated market cannot be immediately established, the Bank can thus sell the Customer's Securities for no less than the price established based on the expert estimate of a securities dealer or other third party with similar competence authorised by the Bank.

**6.7** If the nature of the Customer's Securities allows, and if the Customer is in default with the fulfilment of a financial obligation to the Bank under the Agreement, including default on payment of any amount of the Remuneration or costs the Customer owes to the Bank under the Agreement, and if the Customer does not pay this amount due even in an additional period of 15 days, the Bank shall be entitled to register a lien against any of the Customer's Securities.

**6.8** In a purchase or, as the case may be, sale of book-entered Securities, the Bank is authorised by submission of the Customer's Order to perform all steps for registering the Securities to the appropriate asset account in the pertinent register or, as the case may be, for deregistering the Securities from such an account.

**6.9** For Securities that the Bank purchased on the basis of the Customer's Order, the Customer's right to transact with these Securities is bound to the Bank's co-operation.

**6.10** Execution of a trade in non-book-entered Securities is conditioned upon an agreement between the Customer and the Bank on custody and/or deposit of non-book-entered Securities. The Bank is entitled to deposit non-book-entered Securities into secondary deposit at a reputable foreign custodian, and the Customer is not entitled to require their handing over after the validity period of the Agreement concluded with the Bank.

**6.11** The Bank reserves the right, without stating a reason, to refuse acceptance for custody and/or deposit in the case of Securities certificates delivered by the Customer to the Bank in material form.

## **7. CUSTODY AND/OR DEPOSIT OF A SECURITY**

**7.1** In relation to the custody of book-entered Securities, the Bank will carry out the legal acts specified below necessary for the exercise and preservation of the rights connected with a given book-entered Security. The Bank will take a purchased non-book-entered Security into safe-keeping and custody.

**7.2.** The Bank will not ensure for the Customer representation of the Customer at general meetings of those companies for whose Securities it provides custody for the Customer, nor exercise voting rights at such general meetings.

**7.3** The Bank registers the Customer's Securities in an Asset Account at the Bank. The Bank will provide the Customer – usually each quarter, but at least once per year – with information in the form of an account statement as at the last day of the relevant quarter. Quarterly statements are not issued for accounts where no Securities are registered as at the last day of the quarter.

**7.4** For Securities in custody, the Bank provides for collection and payment of interest, earnings and yield coupons, as well as of maturing securities, and it will do so in accordance with the amount cleared to the Bank's account on the day the proceeds are received. The value of the interest, earnings and yield coupons, as well as of all maturing securities, will be credited to the Customer's Account, provided that the Bank obtains that amount, and even if the securities are payable at the Bank itself.

**7.5** The Bank will inform the Customer of the origination of rights connected with Securities, if that fact was communicated to the Bank in writing in a timely manner and to a sufficient extent by the foreign securities custodian. If the Bank receives no other instruction from the Customer by the penultimate day of trading in the rights connected with Securities, the Bank will allow all those rights appertaining to the Customer's securities account to be converted to cash in accordance with the applicable practices customary abroad, if possible to do so in the case of such corporate action.

**7.6** If information relating to the Customer's securities will be communicated to the Bank in a timely manner and to a sufficient extent by the foreign depository or custodian, by an intermediary depository or custodian, or by a securities issuer in writing, the Bank undertakes to report (deliver) this information to the Customer without undue delay. The Bank essentially transfers such information in the form in which it receives it from the relevant third party. In case the Bank provides commentary to the Customer concerning information transferred from a third party, the Customer is not entitled to rely solely on such commentary and is obliged to evaluate such commentary together with the full wording of the forwarded information from the third party. The Bank will report to the Customer in particular the following information:

- legally mandated offers for redemption and exchange,
- voluntary offers for redemption and exchange.

**7.7** If during the time established in information related to his or her securities that he or she receives from the Bank the Customer provides the Bank no instruction concerning the imparted information, the Bank has no obligation to carry out any acts in cases of voluntary redemption offers, priority subscriptions, options to reinvest dividends into shares, or cash pay-outs. In cases of capital increases against cash payment, the rights connected to the Securities will be sold for the best offer and the new shares will not be purchased. In cases of increasing capital by issuing of new shares and their free distribution among stockholders, the Bank will credit these shares to the Customer or the partial shares, if any, will be sold for the best offer on the final trading day in accordance with the customary practices valid abroad, if possible to do so in the case of such corporate action.

**7.8** The Bank is obliged to register book-entered investment certificates of an open-end mutual fund to the accounts maintained for the person who is the owner of these investment instruments.

**7.9** If the Customer is not the owner of these investment instruments, he or she undertakes to identify for the Bank the actual owner of book-entered investment certificates of an open-end mutual fund so that the Bank can properly satisfy the legal requirements established for maintaining an individual record providing at least the following data:

- a) name and surname or company or business name of the owner of book-entered investment certificates of the book-entered mutual fund
- b) specifications of the book-entered investment certificates
- c) residence or registered address
- d) date of birth, birth identification number or company identification number.

## **8. COMMUNICATION AND DELIVERY**

**8.1** Mutual communication between the Bank and Customer in connection with the Agreement takes place in the manner stipulated in the Agreement and in the Product Business Terms and Conditions. In communications, the Customer is always obliged to use the agreed forms and contact data for the given communication method. The Customer is obliged to notify the Bank without delay and in written documentary form (or by another agreed method) of all changes in the Customer's identification data provided to the Bank in connection with the Agreement; this obligation also applies to changes in the identification data of authorised persons. Unless agreed otherwise, a change of data is effective for the Bank on the following business day after delivery of the notice under the previous sentence.

**8.2** If the Customer does not notify the Bank in a due and timely manner of a change in identification and/or contact data or other vital information stated in the Agreement or in the Product Business Terms and Conditions, the Bank is not liable for damage thereby incurred by the Customer.

**8.3** In signing the Agreement, the Customer confirms that he or she understands and agrees that the Bank will record all telephone communication by means of an audio recording device and that these recordings can be used if necessary to clarify pertinent disputed matters, in resolving claims or possible disputes arising from the relationships established by the Agreement, or for dealings with relevant supervisory bodies.

## **9. NOTICE OF INVESTMENT RISKS**

**9.1** In signing the Agreement, the Customer confirms that he or she is aware of and fully consents to the following:

- a) Securities and/or services in respect of which it is possible to submit an Order to the Bank may not be suitable for every Customer. If he or she is not closely acquainted with their principles, the Customer should not use such services of the Bank.
- b) Rates, prices, returns, gains, performances or other parameters attained by individual Securities in the past may not in any case serve as an indicator or guarantee of future rates, prices, proceeds, gains, performances or other parameters of Securities, and these rates, prices, returns, gains, performances and other parameters of Securities, which are or may be the subject of the Customer's Orders, may change over time – both rising and declining. Return of the originally invested amount is not guaranteed.
- c) Securities denominated in foreign currencies are also subject to fluctuations resulting from changes of currency exchange rates, which can have both positive and negative effects on their rates, prices, gains or returns occurring in other currencies, or, as the case may be, on their other parameters.

**9.2** In connection with receiving Orders from a Customer, the Bank provides no legal, tax, accounting or similar consultancy. The provision of the first sentence does not relate to the providing of information on developments in the capital markets, familiarising the Customer with publicly available analyses or evaluations produced by the Bank or other entities, and the Bank's providing of investment recommendations in accordance with Section 125, paragraph 6 of the Act on Capital Market Undertakings. Investment decisions are always made at the Customer's sole discretion, and the Customer bears full responsibility for them.

**9.3** Payments of returns from holding or transacting in Securities are subject to taxation, and other levies may be charged in accordance with the valid legal regulations. Unless the relevant regulations or the Agreement stipulate otherwise, the Bank does not provide for the Customer settlement of any taxes or levies in connection with

providing services under the Agreement. The Customer bears the responsibility for taxation of returns from holding or selling Securities according to the valid legal regulations.

- 9.4** The Customer hereby acknowledges that using of Inside Information and market manipulation is prohibited in connection with investing in Securities.

## **10. GUARANTEE FUND**

**10.1** A Securities Dealers Guarantee Fund (Section 128 et seq. of the Act on Capital Market Undertakings) provides a guarantee system from which are paid compensations ensuing from a securities dealer's inability to fulfil his or her obligations to customers. Compensation is provided to the customer (with exceptions pursuant to Section 130, paragraph 4 of the Act on Capital Market Undertakings) in the amount of 90% of the sum calculated according to Section 130, paragraphs 7 and 8 of the Act on Capital Market Undertakings, but not greater than the sum in CZK corresponding to EUR 20,000 for a single customer of a single securities dealer.

**10.2** Detailed information about the terms and conditions of providing this compensation, entitlement to the provision of compensation, and the method of claiming its payment is the subject of special information that the Customer received from the Bank in fulfilling its obligation as a securities dealer to provide information to its Customers.

## **11. COMMON PROVISIONS AND TEMRINATION OF AGREEMENT**

**11.1** In signing the Agreement, the Customer confirms that he or she is aware of the fact and provides consent that in connection with the Agreement the Bank or a third party contracted by the Bank, including a foreign entity, may process and store his or her personal data to the extent necessary for exercising rights and fulfilling obligations arising from the Agreement, the Product Business Terms and Conditions and the General Business Terms and Conditions and will carry out this activity throughout the entirety of the Agreement's duration or, as the case may be, the duration of legal relationships ensuing from or relating to the Agreement. This provision does not affect the obligations of the Bank or of third parties contracted by the Bank ensuing from Act No. 101/2000 Coll., on Protection of Personal Data and Amendments of Some Related Acts, as amended.

**11.2** Actions of the Customer that are in conflict with or evade legal regulations, the Agreement, the Product Business Terms and Conditions or the General Business Terms and Conditions are not binding upon the Bank.

**11.3** In signing the Agreement, the Customer confirms his or her agreement that the Bank, in connection with fulfilling its information obligation in accordance with the brokers' agreement on disclosing trades, may provide the relevant authorities with the necessary data about concluded trades for the purpose of their subsequent publication. Data about the Customer or, as the case may be, potentially leading to identification of the Customer, and data presented by the Customer in the Investment Questionnaire are not a subject of that agreement, and the Bank regards these, together with other data and information, as being subject to banking secrecy.

**11.4** Should the Agreement be terminated by the Customer, the Customer is obliged within 30 days from the day of the end of its validity to provide to the Bank information about the asset account opened at another securities dealer, or, as the case may be, at another register, and to give instructions for registering transfer of the Customer's Securities to such account. The Bank will perform the transfers of the pertinent Securities to the asset accounts stated in the instructions forthwith after such instructions are delivered to it from the Customer. Up to the time of carrying out such transfer based upon such instructions, the Customer is obliged to

pay to the Bank the Remuneration as well as third-party costs and to do so even after the Agreement's validity has ended.

**11.5** Should the Agreement be terminated by the Bank, the Bank will advise the Customer to provide the information and to give instructions in accordance with article 11.4 of the Product Business Terms and Conditions. In like manner shall the provisions of article 11.4 of the Product Business Terms and Conditions be followed for paying Remuneration and third-party costs.

## **12. FINAL PROVISIONS**

**12.1** The Bank is entitled to amend the Product Business Terms and Conditions or add new provisions thereto, in particular concerning the definition of terms, extent of validity, authorisation and identification, accepting, performing and settlement of Orders, custody and/or deposit of Securities, communication, termination of the Agreement, the scope of changes to the Product Business Terms and Conditions and the rules for implementing such changes. The Bank is entitled to amend the Product Business Terms and Conditions or to add new provisions thereto if a reasonable need for such changes or amendments arises, such as a need to change or newly and explicitly adjust certain rights and obligations of the parties in connection with a change in legal regulations, available technologies, a situation on financial markets, or the Bank's business policy. The Bank will send the wording of the changes and amendments, or the complete wording of such amended Product Business Terms and Conditions, to the Customer at least 2 months prior to the proposed effective date of such amendment by any means agreed for communication between the Bank and Customer under the relevant contractual relationship. If the Customer does not agree with the proposed amendment to the Product Business Terms and Conditions, he or she is thereby entitled to terminate the respective contractual relationship by providing to the Bank written notice of termination that is effective as of the day immediately preceding the effective date of the proposed amendment, or, if the law establishes such right for the Customer, with immediate effect. If the Customer does not terminate the contractual relationship in such manner, then the new wording of the Product Business Terms and Conditions becomes binding upon the concluded contractual relationship as a change in the originally agreed conditions of the contractual relationship, effective as from the date stated in the given amendment to the Product Business Terms and Conditions as the date upon which the new wording of the Product Business Terms and Conditions becomes valid.

**12.2** Should the parties' rights and obligations governed by the Product Business Terms and Conditions change as a direct result of a change in legal regulations that cannot be contractually circumvented, then paragraph 12.1 of the Product Business Terms and Conditions shall not apply. The Bank will inform the Customer of any such change.

**12.3** The provisions of the General Terms and Conditions shall apply to relationships not governed by the Agreement or the Product Business Terms and Conditions.

**12.4** The Product Business Terms and Conditions may be translated into other languages. If there exists any contradiction between various language versions, the Czech version is the definitive version for interpreting relevant provisions.

**12.5** The Product Business Terms and Conditions cancel and replace the Business Terms and Conditions for Trading in Foreign Securities, their Custody and/or Deposit, valid since 1 January 2014.

**12.6** These Product Business Terms and Conditions are valid from 9 October 2017.