

PRELIMINARY INFORMATION OF J&T BANKA, A.S., POBOČKA ZAHRANIČNEJ BANKY

Dear Client,

this document was prepared by J&T BANKA, a.s., pobočka zahraničnej banky, pursuant to Act No. 566/2001 Coll. on Securities and Investment Services (hereinafter referred to as the “**Act on Securities**”), in particular in compliance with Sections 8a, 73d and 73p(3) of the Act on Securities.

This document contains information on:

1. The “MiFID” investment services regulation;
2. The Bank as the securities trader and the services provided by the Bank;
3. The financial instruments including particular instructions and notifications in relation to risks associated with investments in these instruments;
4. The regime of protection of the financial instruments or the Client's funds;
5. The rules for executing the Orders (hereinafter referred to as the “**Order Execution Policy**”) and the place of service;
6. The costs, related fees and incentives;
7. The principles for implementing and changing the Client categorisation and target markets;
8. The procedures for determining and managing conflict of interests.

1. ARTICLE

General Information on MiFID

The “MiFID” abbreviation stands for Directive 2004/39/EU of the European Parliament and of the Council of 15 May 2004 on markets in financial instruments amending Directive 2002/92/EC and Directive 2001/65/EC - Markets in Financial Instruments Directive (MiFID). The Directive was implemented into the Slovak legislation by amendment to the Act on Securities. The MiFID regulation of investment services, in connection with other (mainly implementation) regulations related to MiFID, introduces a number of new rules aimed at increasing the transparency and protection in the investor – investment company relationship. MiFID is primarily aimed at increasing the investor protection.

2. ARTICLE

Information about the Bank as the securities trader and the services provided by the Bank

2.1. Bank:

J&T BANKA, a.s., with its registered office at Sokolovská 700/113a, 186 00 Prague 8, Czech Republic, ID No.: 471 15 378, registered in the Commercial Register of the Municipal Court in Prague, Section B, File No. 1731, operating in the territory of the Slovak Republic through its branch office J&T BANKA, a.s., pobočka zahraničnej banky, with its registered office at Dvořákovo nábřeží 8, 811 02 Bratislava, ID No.: 35 964 693, Incorporated into the companies register at City Court Bratislava III, Section: Po, File No. 1320/B.

2.2. Contact details:

Czech Republic

Sokolovská 700/113a, 186 00 Prague 8

Tel. No.: + 420 221 710 706

E-mail: info@jtbank.cz

Slovak Republic

Dvořákovo nábřeží 8, 811 02 Bratislava

Tel. No.: 0800 900 500

+421 232 607 187

E-mail: frontofficeOBP@jtbanka.sk

The supervisory authority over the banking activities carried out by the Bank in the territory of the Slovak Republic is the Czech National Bank. Within particular determined areas, supervision over the activities of J&T BANKA in the territory of the Slovak Republic is also performed by the National Bank of Slovakia.

Contact details:

Czech National Bank, Na Příkopě 28, 115 03, Prague 1, Czech Republic
Tel. No.: +420 224 411 111, www.cnb.cz

National Bank of Slovakia, Imricha Karvaša 1, 813 25 Bratislava, Slovak Republic
Tel. No.: +421 257 871 111, www.nbs.sk

2.3. Communication

Communication between the Bank and Client, including any written documents and other notifications is carried out in the Slovak language primarily. In separate cases, it is possible to use the Czech and English language in business communication. Specific methods of communication between the Client and Bank, in particular any sending and receiving orders for individual investment services is regulated in the particular investment service agreement. In communication with Client, the Bank uses the following means of communication: in person, on the phone, via agent, in writing, electronic mail, Bank's website, via Internet Banking, etc.

2.4. Services Provided

J&T BANKA, a.s., operates in the territory of the Slovak Republic through its branch J&T BANKA, a.s., pobočka zahraničnej banky, which was established in November 2005. Authorisation for the provision of services as the securities trader was awarded to J&T BANKA, a.s., by Czech National Bank. J&T BANKA, a.s., performs activities of the securities trader in the territory of the Slovak Republic through its branch, based on written notice of Czech National Bank delivered to the National Bank of Slovakia stating that it has no reason to doubt the organisational structure and financial situation of the foreign bank. Through its branch, J&T BANKA, a.s. is authorised to perform the following activities of the securities trader in the territory of the Slovak Republic:

- a) Accepting and forwarding orders regarding one or several Financial Instruments, in particular in relation transferable securities and money market instruments;
- b) Execution of the Client's orders on their account, in particular in relation to transferable securities and money market instruments;
- c) Trading on own account, in particular in relation transferable securities and money market instruments. The Bank is entitled to provide the following auxiliary services:
 - a) Safekeeping and administration of financial instruments on the Client's account, including custodianship;
 - b) Executing trades in foreign exchange values, if associated with providing investment services;
 - c) Opening and keeping the Client's Asset Account.

The Bank is entitled to provide additional services according to the Act on Securities and Act on Banks:

- a) Services of the member of the Centrálny depozitár cenných papierov SR, a.s., (Central Depository of Securities);
- b) Participation in the issues of securities and providing services connected therewith.

The Bank performs administration of Financial Instruments for the Client by executing operations needed for the exercise and preservation of rights relating to such Financial Instruments, in particular:

- a) Collecting dividends, due interest and any other income relating to the Financial Instruments held in custody;
- b) Providing entry or registration of the acquisition of Financial Instruments to the Client's account or in the Client's name;
- c) Providing for settlement and payments for the Financial Instruments acquired or transferred to the Client's Asset Account and/or deposited for the Client;
- d) Taking over, collecting and requesting settlement of any payments to become due from the Financial Instruments held in custody and remitting payments in favour of the Client's Authorised Account if the Bank received such order;
- e) Executing exchange of Financial Instruments and other actions in relation to Financial Instruments held in custody, including the right to subscription, etc.;
- f) Executing additional actions in compliance with the Agreement and the Business Terms and Conditions.

The Client is obliged to provide the Bank with any information and documents needed to execute administration of Financial Instruments and provide the Bank with necessary cooperation in time. Since increased costs borne by the Client may be associated with the exercise of administration, as a part of Financial Instruments administration, the Bank carries out other operations than listed in the previous paragraph only based on separate agreement with the Client, in particular against the payment of actually and purposefully incurred Costs. Participation and voting in general meetings is undertaken by the Bank only based on the Client's separate order, also containing the Client's order how the Bank shall vote at the general meeting and on condition of awarding a written power of attorney by the Client to the Bank for such purposes. Costs associated with the Bank's participation and voting at the general meetings shall be borne by the Client and the Bank is entitled to require a deposit intended to cover the Bank's costs associated with participation at the general meeting, the travel costs in particular. The Bank provides its clients with adequate news about the investment services provided, containing in particular:

- a) Information about the services executed on the Client's account;
- b) Information about the costs associated with the deal.

2.5. Using Financial Agents

The Bank uses third persons for receiving and forwarding orders, in particular: independent financial agents, tied financial agents or tied investment agents (hereinafter referred to as the “agent”). Clients are able to verify the entry of the particular agent who carries out financial intermediation in the register kept by the National Bank of Slovakia, in particular at its website www.nbs.sk. The list of agents used by the Bank is enclosed as Annex No. 1 hereto.

2.6. Providing Notifications and Statements to Clients

Following execution of any Order, the Bank sends the Client a notification regarding the execution of the Order in compliance with the Act on Securities. Notification shall be sent at the latest on the first Working Day following the execution of the Order or if the Bank received confirmation from the Bank's contractual partner, at the latest on the first Working Day following the acceptance of the confirmation from the Bank's contractual partner. At the Client's request, the Bank is obliged to inform the Client about the status of their Order. The Bank is obliged to inform the Client about any serious obstacles regarding the proper execution of the Order, about the circumstances possibly having impact on the change of Order or its suitability, as well as the possibility of incurring other than contractual obligations. At the Client's request, the Bank is obliged to prove that it has executed the Order in compliance with the Order Execution Policy. The Bank is entitled to satisfy the Client's request and inform them about the current or latest price (rate) of the Financial Instrument on the regulated markets or outside the regulated markets. The Asset Account and/or Holder's Account statements on the status and possibly movements of the Client's Financial Instruments, marked as the "investment statement" shall be provided by the Bank on a monthly basis preferentially through Internet banking, saving in the repository, if the Client has Internet Banking opened or on another durable medium in compliance with the particular investment agreement. The Bank is entitled to charge for the provision of statements and other information on another durable medium than saving in the repository within the Internet Banking or at other intervals.

2.7. General information about the measures in the case of conflict of interests

In its activity, the Bank avoids conflict of interests and thoroughly monitors whether or not there is a possible risk of conflict of interests when providing a particular investment service. If a risk of conflict of interests is found, the Bank shall notify the Client and adopt measures needed to provide the Clients with fair treatment. In the event of conflict of interests between the Bank and the Client, the Bank shall prioritise the Client's interests. For the purpose of managing potential conflicts of interests, the Bank has adequate procedures and measures adopted. Internal regulations provide for protection and flow of confidential information in the Bank to prevent their misuse as well as monitoring of the employee transactions on their own account. The Bank also has adequate organisational measures adopted so that that the persons participating in different business activities of the Bank executed these activities at an adequate independence level. The procedures of finding and managing conflict of interests, stipulating the details regarding the conflict of interests are enclosed as Annex No. 2 hereto.

3. ARTICLE

Information about financial instruments and risks associated therewith

3.1. General description of financial instruments

3.1.1. Stock

Security representing a share in a joint stock company. It entitles the owner to co-decide about the basic issues and direction of the company at the general meeting. A shareholder is entitled to a share in the company's profit, the so-called dividend, share in the liquidation balance and right to information. Stocks most traded on the stock market are called "blue chips".

3.1.2. Bond

Security representing the issuer's obligation to repay a particular sum of money and a particular interest as of the due date.

3.1.3. Promissory note

Promissory note is a short-term debt security. It may be defined as a written commitment that needs to have a precise form. It provides the promissory note owner with the entitlement to require settlement or payment of the sum of money specified on the promissory note within the determined period. The revenue is generated by the difference between the sum paid by the investor at the issue of the promissory note and the sum paid on the day of repayment of the promissory note. The promissory note contains the commitment of the issuer to pay the note price or an order to a third person to pay the particular sum at the specified time on their behalf. This means that the issuer of the promissory note or other persons obliged from the promissory note guarantee the payment of the note amount (e. g. the co-acceptor of the promissory note).

3.1.4. Unit

Unit is a security associated with the shareholder's entitlement to the corresponding share in the assets in a mutual fund and the entitlement to participate in the revenues of such assets. A unit may only be nominated to a single or several shares in the assets in the mutual fund. Since the investor's funds are usually invested in stocks and bonds, the investment in a mutual fund bears similar risks as the investment in these investment instruments.

3.1.5. Derivative

Derivative is a financial instrument derived from the underlying asset value; the contract is not concluded for the trading or exchange of the asset itself, however for the exchange of funds, assets or other value tied to the underlying asset as of a particular date in the future. There are many types of derivatives, with the most common being options, time trades (futures) and exchange contracts (swaps)

3.1.6. Option

Standardised contract which represents the right for the buyer and obligation for the seller to buy or sell a particular financial instrument in the future for a price agreed in advance. There are two types, call option and put option. A call option represents the contract providing the holder with an entitlement, however, not obligation, to buy a particular amount of assets (e. g. securities) from the option issuer at a price determined in advance. This contract is valid within the determined time period. A put option represents the contract providing the holder (buyer of the option) with an entitlement, however, not obligation, to sell to the buyer of the put option a particular amount of assets (e. g. securities) at a particular exercise price. The issuer is obliged to buy such assets at the exercise price. This contract is valid for the determined time period.

3.1.7. Futures

Standardised time contract which represents the obligation for the buyer and obligation for the seller to sell a particular number of underlying assets at a price agreed in advance.

3.1.8. Swap

Foreign exchange operation based on the exchange of one foreign exchange for another foreign exchange for a particular period determined in advance. It works as a time trade aimed at achieving profit from the foreign exchange rate.

3.2. Description of risks associated with financial instruments

There is a risk associated with the investment in securities, depending on the investment strategy selected. The securities rate may rise or fall and the past development is not a guarantee of the same or similar future development. The investor may not get back the whole invested amount. Any risks identified in this description may be mutually combined, whereby the resulting risks associated with the investment may increase.

3.2.1. Target markets for investment instruments

If the investment instrument, actively offered by the Bank based on the Bank's assessment, considering the Client's knowledge, experience, etc., does not correspond to the profile of the particular Client, the Client's profile is evaluated as fully inconsistent with this investment instrument's target market. The Client will be informed by the Bank about this fact.

3.3. Main risks associated with the investment in stock

3.3.1. Price risk

The stock price changes unpredictably, whereby the risk of loss originates. These changes occur within a short-, medium- and long-term and it is not possible to determine the duration of these cycles.

3.3.2. Corporate risk

Investing in stock, the investor is not lending the funds to the company but becomes its co-owner. Thereby, the investor participates in its development as well as its profits and losses. Therefore, it is difficult to predict the revenue of such investment. If the company declares bankruptcy, the investor loses the whole invested amount.

3.3.3. Dividend risk

The amount of dividends per stock depends on the company's profit and its dividend policy; the dividend may be lower than expected or may not be paid at all.

3.4. Main risks associated with the investment in bonds

3.4.1. Insolvency risk

The issuer may be temporary or permanently unable to repay the principal or interest. The issuer's ability to fulfil their obligations depends mainly on the factors such as the issuer's size, scope of business, political and economic situation in the issuer's country of residence.

3.4.2. Interest rate risk

Decrease of interest rates impacts the revenue of securities with fixed interest positively while the increase of interest rates has a negative impact on the revenue. The basic rate measuring the risk of securities with fixed interest and the portfolios they are represented in is duration. Duration is calculated as the average maturity period of all cash flows (in particular the principal and coupons). The higher the duration, the higher the sensitivity of the security to interest rate changes and inflation. In spite of the fact that duration is expressed in time units, it is proportional to volatility.

3.4.3. Early repayment risk

In some cases, the bond issuer may reserve the right to its early repayment, due to which the revenue expected by the investor will change.

3.4.4. Risk associated with a particular bond type

Additional risk may be associated with investments in bonds with floating interest rate, bonds with zero interest rate (zero coupon bonds), convertible bonds, etc. In the event of investments in these types of bonds, please, search for information about such risks in the securities prospectus and only make your decision when fully understanding such risks.

3.5. Main risks associated with the investment in derivatives

3.5.1. High risks are associated with derivatives, which is also because of the fact that they are bound to a particular underlying asset which itself is associated with particular risks. Investments in derivatives are connected mainly to the so-called leverage risk.

3.5.2. Leverage, which may be often achieved in these transactions, means that a small deposit or payment may bring high losses or high profit. The investor only has to provide a part of funds needed to conclude the deal, however, fully accepts the losses or profits resulting from the deal. This effect will cause that a relatively small movement of the asset value may result in much higher movement of the investment value, either in favour or to the detriment of the investor. Before deciding to invest in any of the investment instruments associated with leverage, you shall consider whether or not such transaction corresponds with your financial goals, experiences, funds and other significant circumstances. Make sure that you understand the nature of the financial instrument and the scope of risk you are exposing yourself to, which may significantly exceed the amount invested. Dealing with certain types of derivatives, in particular the time transactions (futures), in addition to the cost of such financial instruments, the Client may also take over additional financial and other commitments including contingent liabilities.

3.6. Main risks associated with the investment in securities

3.6.1. Market Risk

Market risk is the risk of economic loss as a result of the change of values of the security on the particular market. Such changes may occur within a very short time (during a day). Financial markets may react to news regarding this security through substantial growth or substantial drop in price.

3.6.2. Volatility

The rate of spread of the revenues of a particular security or market index. Volatility may be expressed by a standard deviation or deviation of the revenue of the security from the market index revenue. The higher the volatility, the higher the risk of the security.

3.6.3. Liquidity risk

Liquidity of a security is directly influenced by the offer and demand for such security. If the number of potential sellers increases largely or if the number of potential buyers decreases largely, the liquidity of such security drops.

3.6.4. Currency risk

Drop/growth of the strength of EUR has a positive/negative impact on the revenue of securities denominated in another currency than EUR and expressed in EUR. Exchange rates volatility is influenced mainly by economic, social and political factors and the rates may fluctuate in a wide interval, often within a single day.

4. ARTICLE

Information about the protection of Clients' financial instruments and funds

4.1. The Client's assets entrusted to the Bank as the securities trader is not a part of the Bank's assets. The Bank may use the Client's funds and the Client's financial instruments for its own benefit or for the benefit of third persons only if the Client agrees to such use of the funds or financial instruments. The Client may grant consent in the respective investment service agreement or in a written document separate from the agreement. The Bank provides for proper internal registration of the funds and financial instruments belonging to individual Clients so that the immediate position of each Client may be reliably identified. The Bank is entitled to deposit the funds of its Clients to the account or accounts with a third person (custodian). The custodian services are mostly used for registration of foreign securities. Typical examples of such custodians include the securities centres, investment services providers, deposit banks or centres for the settlement of deals in financial instruments. The Bank and the custodian are responsible for the breach of obligations of the custodian in compliance with the applicable legal regulations and the terms and conditions between the Bank and the custodian. In any case, the Bank is responsible towards its Clients for returning any financial instruments held for the Client by the custodian. This also applies in the case of the custodian's insolvency. When selecting a third person to be entrusted the client assets (the custodian), we evaluate the custodian's risk level. The Bank considers the following, in particular:

- a) Qualification and market reputation of the custodian;
- b) Current experience with this custodian;
- c) Specific measures the custodian has adopted for the management of the entrusted assets;
- d) Whether or not the custodian's activity is regulated and by whom;
- e) What are the custodian's capital or financial sources and their economic situation;
- f) What is the custodian's credit rating;
- g) What are the additional activities performed by the custodian and the connected persons, possibly having impact

on the rate of risk in the client asset management.

The Bank usually registers the domestic securities on a separate account of the financial instruments' account kept for the Client by the Bank as the member of the Centrálny depozitár cenných papierov SR, a.s. based on the Client's request. Foreign securities are registered by the foreign depository (custodian) selected by the Bank on the summary client accounts. Registration of securities on the collective accounts carries increased risks and demands in particular regarding the proper and thorough registration and distinct documenting of the assets and ownership of each particular Client to the investment instruments or funds held collectively. In order to eliminate such risks, the Bank keeps registration with professional care, i. e. there is a mechanism of everyday control of the client positions kept in foreign registration against the positions kept in the Bank's system. The Bank is able, at any moment, to repay its own due liabilities as well as the due liabilities of its Clients without prioritising some Clients to the detriment of the others. The Clients' financial instruments shall be kept with the foreign depository on a separate account identifiable through special identification, ensuring the separation of the Clients' assets from the Bank's own assets. Registration of financial instruments abroad follows the legal regulations of the particular jurisdiction, therefore the rights of the Client regarding such financial instruments abroad may differ accordingly. In the event of security interests or rights to the Client's financial instruments, the Bank has or could have, or in the event of any rights for mutual set-off in relation to such Client's financial instruments, the Bank shall notify the Client.

The Financial Instruments, which the Client can purchase in the Slovak Republic, are registered with CDCP SR and with separate registers of financial instruments kept by a person authorised for it. The legal order of the Slovak Republic shall apply to these financial instruments. The Foreign Financial Instruments are usually kept on the accounts of customers that are opened with the Depository in the Bank's name or in separate records of Financial Instruments kept by a person authorized to do so.

The dematerialised securities can be kept only on the Property Account or Holder's Account, therefore, when the Client in the Instruction for the purchase of a Financial Instrument does not specify the identification of their Property Account for the registration of the Financial Instruments or does not give the Instruction for opening a property account, the Instruction for the purchase of a Financial Instrument shall also be considered the Instruction for the performance of Custodianship, and this Financial Instrument shall be taken over to Custodianship and registered on the Holder's Account until the Client gives the Instruction for the transfer of it to the Property Account, unless provided otherwise by the Relevant Legal Regulations

4.2. Client's financial instruments or funds on the collection account

Hereby, the Bank expressly notifies the Client that the Legal Regulations, the custodian's activity is subject to, may enable and usually do enable the financial instruments and funds entrusted to be held on a collective (collection, holder's) account. Such case carries increased risks and demands in particular regarding the proper and thorough registration and distinct documenting of the assets and ownership of each particular Client to the financial instruments or funds held collectively. In this respect, the Bank shall be obliged to keep relevant registration always in relation to the accounts of the end owners of financial instruments (i. e. always in the name of the particular Client, instead of the collective account of all clients).

4.3. Information on the system of deposit protection for investors

In compliance with its statutory obligation, the Bank is a participant of the deposit protection system in the territory of the Czech Republic. The deposit protection system, from which compensations for deposits in banks and branch offices of foreign banks are provided if such deposits become unavailable, is provided in the territory of the Czech Republic by Fond pojištění vkladů/Deposit Insurance Fund, which is the internal unit of Garanční systém finančního trhu/Financial Market Guarantee System, Týn 639/1, 100 00 Prague 1, Czech Republic, ID No.: 497 10 362, Tel. No.: +420 234 767 676, e-mail: info@gsft.cz, www.garancnisystem.cz).

The subject of providing compensations from the deposit protection system in the Czech Republic are the deposits accepted in the territory of the Czech Republic by J&T Banka, a.s., as a foreign bank, including the deposits accepted in the territory of the Slovak Republic by J&T Banka, a.s., pobočka zahraničnej banky, and protected pursuant to Act No. 21/1992 Coll. on Banks in the wording applicable in the territory of the Czech Republic. Total maximum possible amount of compensation for unavailable protected deposits according to the rules of the deposit protection system in the territory of the Czech Republic amounts to EUR 100,000 for a single eligible person with a single bank ("Domestic Deposit Protection System"). In compliance with its statutory obligation, the Bank is also the participant to the system of compensations provided for the unavailable client assets accepted by the Bank as the securities trader. The guarantee system, from which compensations are paid for the securities trader that is not able to fulfil their obligations to their clients is ensured in the territory of the Czech Republic pursuant to Act No. 256/2004 Coll. on Capital Market Undertaking applicable in the Czech Republic, by the Securities Traders Guarantee Fund (P.O.Box 787, 111 21 Prague 1, Czech Republic, Tel. No.: +420 222 192 453, e-mail: fond@gfo.cz, www.gfo.cz). Compensation from the Securities Traders Guarantee Fund shall be granted to clients up to the amount of 90 % of the amount determined pursuant to Act No. 256/2004 Coll. on Capital Market Undertaking, however, maximum up to the amount of EUR 20,000 per single client at a single securities trader (bank).

Under the Act on Securities in the wording applicable in the territory of the Slovak Republic, a branch of a foreign

securities trader, providing investment services, ancillary services or executing investment activities in the territory of the Slovak Republic based on the right of free provision of services, is not obliged to participate in the client protection scheme under the aforementioned Act, if the client assets accepted by the branch of the foreign securities trader is protected in the country of residence of the foreign securities trader. Based on the above, the unavailable client assets accepted by J&T Banka, a.s., as the foreign securities trader in the territory of the Czech Republic as well as the unavailable client assets accepted by J&T Banka, a.s., pobočka zahraničnej banky, in the territory of the Slovak Republic, is protected by the guarantee scheme valid in the territory of the Czech Republic, provided by the Securities Traders Guarantee Fund.

4.4. Information about the conditions of deposit protection provided by the CR Financial Market Guarantee System

Insurance of the receivables from deposits is provided by the Financial Market Guarantee System (Garanční systém finančního trhu - GSFT) established according to the act regulating the recovery processes and solving crises on the financial market. GSFT manages a part of its possession in the Deposit Insurance Fund (Fond pojištění vkladů, hereinafter referred to as "FPV") for the purpose of providing compensations for the receivables from deposits to eligible persons, under the conditions set out in Section 41a et seq. of Act No. 21/1992 Coll., on Banks, in the wording valid in the Czech Republic. Any receivables from deposits including interests, kept in any currency, registered as credit balances on accounts or deposit books or confirmed by deposit certificate, deposit slip or similar document are insured. For more information about the payment of compensations from the fund and its mode of operation, see www.fpv.cz. The receivables that are not insured include receivables from the deposits of banks, branch offices of banks from other member countries, saving and credit cooperative, securities trader and foreign entity executing a similar activity; this shall not apply in the case of receivables from deposits deposited by such entities in favour of a third person who would be otherwise entitled to compensation under the conditions resulting from Act No. 21/1992 Coll., on Banks, in the wording valid in the Czech Republic. The receivables that are not insured also include the receivables from deposits of financial institutions and foreign entities with similar scope of activity (with the exceptions as stated by law), insurance companies, reinsurance companies and foreign entities with similar scope of activity, health insurance companies and foreign entities with similar scope of activity, state, territorial self-governing unit (under conditions set out by law), receivables from deposits, the Bank is entitled to include into its capital (subordinated debt), receivables from deposits arising, according to lawful decision, from intentionally committed offence of money laundering (unless secured in favour of the victim of the offence) as well as the deposits of depositors, for which the Bank does not register identification data at least within the scope of name, surname, address, birth date or birth number for natural persons or business name or title, registered office and registration number for legal entities (the identification data must be contained in the account agreement, in the deposit book and on the deposit certificate, deposit slip or other similar document confirming the receipt of the deposit). The deposit insurance system does not apply to promissory notes and other securities.

Compensation for an insured receivable from the deposit shall be granted to the eligible person from FPV after GSFT receives written notice from the Czech National Bank about the Bank's inability to fulfil the commitments towards the eligible persons under the statutory and contractual terms and conditions or if the court or foreign court issues a decision on bankruptcy or another decision directly related to the Bank's financial situation, resulting in the suspension of the right of the depositors to dispose of the deposits subject to insurance. The day when the Czech National Bank issued notice according to the previous sentence or the day when the foreign court issued decision according to the previous sentence shall be considered as the so-called reference day. Compensations are granted both to natural persons and legal entities, up to the amount of all insured deposits of a single depositor with a single bank, however, maximum up to the amount equivalent to EUR 100,000 for a single eligible person regardless of the number of accounts open with the Bank. Under the conditions set out in Act No. 21/1992 Coll., on Banks, in the wording valid in the Czech Republic, GSFT will also grant the so-called extended compensation. Compensations for foreign exchange deposits are paid in the currency determined according to Section 41e(1) of Act No. 21/1992 Coll., on Banks. However, the persons with special relationship to the Bank and owners of deposits originated in connection with money laundering lawfully convicted by court in criminal proceedings shall not be entitled to obtain compensation for the receivable from deposits. The Fund has to be able to pay the compensation to eligible persons within 15 working days of the reference day.

4.5. Information on the conditions of financial instrument protection provided by the Securities Traders Guarantee Fund

The Securities Traders Guarantee Fund (Garanční fond obchodníků s cennými papíry - GFO) is a legal entity ensuring the guarantee system, from which compensations are paid to the clients of a securities traders (the Bank) which are not able to fulfil their commitments towards their clients. GFO was established based on Section 81a of Act on Securities No. 591/1992 – valid in the Czech Republic. Currently, it follows Section 128 of Act No. 256/2004 on Capital Market Undertaking applicable in the Czech Republic. GFO is not a state fund and is not subject to the insurance laws. The GFO funds may be used for

- a) Compensations resulting from the inability of the securities traders (the Bank) to fulfil their commitments consisting in the release of the client assets to the clients for reasons directly relating to their financial situation;
- b) Payments of loans received or refundable financial assistance;

c) Payment of costs of the GFO activity.

For the purposes of this Act, the client's assets shall mean the funds and investment instruments entrusted to the securities trader for the purpose of investment service provision and funds or investment instruments acquired for such values for the Client. The Client's assets do not include the Client's funds received by the securities trader which is a bank or a foreign bank branch and kept by them on the accounts insured according to the Act on Banks. The Client's assets are not included in the assets of the securities trader. Compensation from GFO shall be granted to the clients of the securities trader (the Bank) in the event that the Czech National Bank notifies GFO that the securities trader (the Bank) is not able to fulfil its commitments consisting in the release of the assets to the clients due to its financial situation and it is not probable that it will be able to fulfil it within 1 year, or if the court issued decision on the bankruptcy of the securities trader (the Bank) or issued other decision causing that the clients of the securities trader cannot efficiently demand their assets. GFO, in agreement with the Czech National Bank, shall publish the notice in a suitable way, without undue delay, containing:

- a) The fact that the securities trader is not able to fulfil its commitments;
- b) The place, method, period for registration of claims and starting the payment of compensations from GFO;
- c) Any additional facts relating to the registration of claims.

The period for registration of claims must not be shorter than 5 months from the publication of the notice. The following entities are not entitled to compensation from the Fund:

- a) Česká konsolidační agentúra/Czech Consolidation Agency;
- b) Territorial self-governing unit;
- c) Person who was within 2 years prior to the notice:
 - i) Performing or participating in the performance of audit of the securities trader (the Bank), whose clients are paid compensation from GFO;
 - ii) Was the manager at the securities trader (the Bank), whose clients are paid compensation from GFO;
 - iii) Was the person with qualified participation in the securities trader (the Bank), whose clients are paid compensation from GFO;
 - iv) Was the person related according to the Civil Code valid in the Czech Republic to the person under clauses i) to iii);
 - v) Was the person belonging to the same business grouping as the securities trader (the Bank), whose clients are paid compensation from GFO;
 - vi) Performed audit or participated in the performance of audit of the person belonging to the same business grouping as the securities trader (the Bank), whose clients are paid compensation from GFO;
 - vii) Was the manager of the person belonging to the same business grouping as the securities trader (the Bank), whose clients are paid compensation from GFO;
- d) Person, in which the securities trader (the Bank), whose clients are paid compensation from GFO, or person with qualified participation in such securities trader (the Bank) has or anytime within 12 months immediately prior to the day of notice had minimum 50% share in the capital or voting rights;
- e) Person who in relation with money laundering entrusted the securities trader (the Bank), whose clients are paid compensation from GFO, the funds acquired through crime;
- f) Person who caused inability of the securities trader (the Bank), whose clients are paid compensation from GFO, to fulfil its commitments towards clients through crime.

In order to calculate the compensation from GFO, the values of all item of the Client's assets including their possible co-ownership share in the assets co-owned with other clients shall be summed up as of the day when GFO obtained the notice from the Czech National Bank, with the exception of the value of funds entrusted to the securities trader which is a bank or a foreign bank branch and kept on the accounts insured according to the Act on Banks. The value of Client's obligations towards the securities trader (the Bank) payable as of the date when GFO received the notice will be deducted from the resulting sum total. The Client shall be provided compensation in amount of 90 % of the amount calculated according to the previous paragraph, however, maximum up to the amount of EUR 20,000 per single client with a single securities trader (the Bank). Thus, GFO only covers such commitments of the securities trader towards the Client, the subject of which are the values accepted by the securities trader (the Bank) from the Client in connection with the provision of the investment service, kept or supposed to have been kept separately from its own assets (i. e. the values became a part of the client assets), and which the securities trader is not able to return due to the financial situation. The compensation from GFO has to be paid at the latest within 3 months from the verification of the registered claims and determination of the claim amount. At the GFO request, in exceptional cases, the Czech National Bank may extend the period under the first sentence maximum by 3 months. At the moment of the compensation payment, the creditor's rights of the Client who was paid the compensation will pass on to GFO, in particular up to the amount of the compensation paid. The Client's right to compensation from GFO will be barred by the expiration of 5 years from the due date of the Client's receivable for the payment of compensation from GFO. If the GFO funds are not sufficient for the payment of compensations with interest and charges or for the payment of costs of the activity, GFO shall acquire the funds needed on the financial market. GFO cares that the conditions under which funds are provided were as convenient for GFO as possible. If GFO does not acquire the funds, a subsidy or refundable financial assistance may be provided up to the necessary amount from the state budget on request for the reasons of particular concern. GFO may only invest funds in a safe way, in compliance with its statute.

5. ARTICLE

Order Execution Policy

5.1. Under the Securities Act and in compliance with the MiFID regulatory rules, the Bank is obliged to adopt such measures so as to achieve the best possible result for clients when executing the client orders. These measures are subject to the following Article and represent the Order Execution Policy, the Bank will follow in executing the orders of those clients who are classified in the Professional and Non-Professional Client category in compliance with the categorisation performed. The Order Execution Policy enables immediate, fair and swift execution of the Client's orders in relation to the orders of other clients or to the Bank's business interests.

5.2. Criteria considered in executing orders

The Bank has adopted the strategy leading to achieving the best possible result for clients. When applying this Order Execution Policy, the Bank shall consider the factors significant in respect to the purpose of the order execution. Subsequently, the Bank executes orders with the aim to achieve the best possible result for the Client in particular considering the price, related costs, speed, probability of execution of the order, volume of the deal required, deal settlement, size of the order and its nature and any other criteria relevant according to the Bank for achieving the best possible result. When determining the importance of the aforementioned criteria, the Bank considers in particular the following:

- a) The Client's characteristic including the category and whether it is a Professional, Non-Professional Client or Eligible Counterparty;
- b) Nature of the Client's order;
- c) Nature of the financial instruments that are subject to this order;
- d) Volume of the transaction in relation to liquidity and market impact, etc.;
- e) Speed and probability with which the order may be executed;
- f) Conditions for the transaction settlement;
- g) Nature of the place of execution, where the order may be forwarded to;
- h) Other indirect transaction costs;
- i) Other transaction specifications.

When executing the order on the account of a Non-Professional Client, the best possible result shall be determined with respect to the total performance representing the price of the financial instrument and the cost associated with execution of the order (incurred by the Client in direct connection with the execution of the order), including the fees for the place of execution, any accounting and settlement costs and any costs paid to third persons involved in the order execution. The costs associated with the execution of the order include any costs charged to the Client, directly associated with the execution of the order, including the compensation for the transfer point, compensation for the deal settlement and other compensations to other persons involved in the order execution. If there was more than one competitive place of execution of the order for the financial instrument, when assessing the provision of the best possible result for the Client, the Bank will consider the Bank's commissions and costs incurred for the execution of the order in each place of execution available for the order execution. The Bank must not obtain incentives in relation to the direction or assigning the order at a specific place of business that could lead to violation of the obligation to execute orders of Non-Professional Clients under the best possible conditions and conflict of interests' management.

When executing the order submitted by a Professional Client, the Bank shall consider its own discretion and intention of the Professional Client, such as the speed and probability of the order execution. When executing the order on the account of a Professional Client, the best possible result shall be determined with respect to the total performance representing the price of the financial instrument and the cost associated with execution of the order (incurred by the Client in direct connection with the execution of the order), including the fees for the place of execution, any accounting and settlement costs and any costs paid to third persons involved in the order execution, assuming that also the other aforementioned criteria according to the Bank's discretion will be considered. With respect to the aforementioned criteria in relation to the Non-Professional and Professional Client, the Bank shall choose the best place for the order execution. The Bank determines and charges its commissions regardless of the place of execution of the order, whereby it ensures non-discrimination of the execution places.

5.3. Client's particular instruction

Hereby, the Bank notifies the Client that should the Client provide the Bank with specific instructions in relation to the order, these may prevent the Bank from following its Order Execution Policy aimed at achieving the best possible result. In the event of a particular instruction of the Client, the Bank will execute the order in compliance with such instruction and the execution of the order in that manner will be considered as the achievement of the best possible result for the Client.

5.4. Execution of the Client's order

The Bank usually executes Clients' orders under the respective investment service agreement on the Client's own

behalf and on their account by procurement of the purchase or sale of securities. The order may be forwarded to the regulated market or executed outside the regulated market. The Bank approaches every order executed with professional care in the effort to achieve the best possible result for the Client. If the security is registered on a particular regulated market, the Bank shall execute the order on the same market. If the security is registered on more than one regulated market, the Client may ask the Bank in the order to execute the Order on the market of their preference and the Bank will follow the Client's request. In such case, the execution of the order on the market specified by the Client shall be considered as the fulfilment of the Bank's obligation to achieve the best possible result for the Client (Client's particular instruction). If the Client does not have a preference for a particular regulated market, the Bank shall select the market in which the order is to be executed. The main selection criteria shall be the price and cost associated with the deal settlement. Among these criteria, the price usually has a higher weight since it has a more substantial impact on the final transaction price. However, if the execution of the Client's order at the best possible price would be associated with a significant increase in fees, the Bank may consider executing the order on an alternative market as well. If there is a possibility to execute the order on several regulated markets with comparable price and costs, the Bank shall select the market where the probability of executing the order is faster and higher. If the security is registered on a regulated market the Bank is not a member of, the Bank shall forward the order to a member of such regulated market with whom the Bank has an agreement about processing of Client orders for the particular regulated market. The Bank is entitled to implement the Client's order even outside the regulated market or the Multilateral Trading Facility (MTF), however, only supposing the Client has expressed their explicit consent in advance in writing. This consent may be also granted in the contract concluded with the Client in the form of general consent for all the Client's deals. The Bank is entitled to execute the Client's order also by matching the Client's order with a corresponding order of another Client.

5.5. Extraordinary situations and recommendation not to execute the order

In the event of non-standard orders (e. g. volume), the Bank is forced to also consider additional factors, as mentioned above. Even if the goal of the Order Execution Policy is to achieve the best possible result for the Client with respect to the given conditions and capital market situation, considering the complexity and dynamics of the financial market, the Bank is not able to ensure the best possible result for every single order. The Order Execution Policy is aimed at achieving the permanently high share of orders the execution of which achieved the best possible result.

Based on the information provided by the Client in the investment questionnaire and the Client's requests for the investment service / the method of provision thereof / and the investment instrument that should be the subject of the service, the Bank may evaluate the Client's required order as inconsistent with the Client's professional knowledge and experience. If the Client refuses to provide the information required or if the information provided by the Client are insufficient or incomplete, the Bank will not be able to evaluate the order as adequate. Following such evaluation, The Bank warns the Client that it is unable to assess whether the provision of an investment service or the execution of a trade with an investment instrument corresponds to the Client's professional knowledge and experience, or whether it falls within the target market of the required investment Instrument. After the above mentioned warning the Client is entitled to ask the Bank to execute the particular order in an explicit manner. In such case, the Bank is relieved of responsibility for the provision of the investment service that is not consistent with the Client's knowledge and experience according to the applicable provisions of the Act on Securities.

5.6. Merging the orders

To the extent permitted by legal regulations, the Bank may merge the Client's orders or deals on own account with the orders of another Client, only in the event that:

- a) It is unlikely that the merger of the orders and deals will be overall disadvantageous for some of the Clients, whose orders shall be merged;
- b) Each of the Clients whose orders shall be merged has to be informed about the fact that the effect of the merger in relation to the particular order may be to their detriment;
- c) The Bank has an order allocation strategy implemented and adheres to it effectively, ensuring fair allocation of the merged orders and deals under sufficiently accurate conditions, in particular as to how the volume and price determine the allocation and the conditions of handling partially executed orders.

If the merger of the order could be less favourable for the Client than individual execution of the order, the Bank is obliged to notify the Client thereof. When merging the orders, the Bank shall ensure that the execution and settlement of such orders was fair and did not harm the interests of any of the Clients. If the securities trader (the Bank) merges the order with one or several orders of another Client and the merged order was partially executed, the trader is obliged to allocate the deals concerned in compliance with its strategy for allocating orders. If the securities trader (the Bank) merged the deals on its own account with one or several Client orders, it must not allocate the deals concerned in a way harmful to the Client. If the securities trader (the Bank) merges the Client's order with a deal in its own account and the merged order was partially executed, the trader is obliged to allocate the deals concerned to the Client preferentially. If the Bank proves that the order could not have been executed without the merger under such advantageous conditions or could not have been executed at all, it may allocate the deal on its own account proportionally in compliance with its strategy for allocating orders.

5.7. Control of the Order Execution Policy

The Bank monitors the effect of its measures for executing orders and the Order Execution Policy in order to identify

and correct deficiencies. At least on an annual basis, the Bank evaluates the effectiveness of the Order Execution Policy and whether or not the places of execution included enable to achieve the best possible result for the Client and whether or not it is necessary to make changes to its measures for executing orders. The Bank informs the Client about any significant change to its measures for executing orders and the Order Execution Policy in a manner agreed with the Client in the agreement. Before executing an order, the Bank shall obtain the Client's consent to this Order Execution Policy. When granting the consent to this Order Execution Policy, the Client takes into account that an order containing an explicit specific instruction on a particular procedure or method of order execution may cause that the Bank will not be able to follow these rules and the Order Execution Policy.

5.8. Information on the place of execution

The Bank provides the Client with a list of places of execution, where the Bank executes the Client orders in compliance with its Order Execution Policy. These are places allowing the Bank to permanently obtain the best possible result for the Client. This list will be reviewed and updated from time to time. The Bank reserves the right to execute the Client's order in a different place of execution than provided in this list, in order to achieve the best possible result for the Client.

5.9. Places of execution of the investment service Financial instrument / Place of execution (Abbreviation)

Domestic financial instruments / Bratislava Stock Exchange (BCPB).

Domestic financial instruments / Outside the regulated and multilateral trading system (OTC).

Foreign financial instruments / Prague Stock Exchange (BCPP), London Stock Exchange (LSE), New York Stock Exchange (NYSE), Budapest Stock Exchange (BSE), Warszawa Stock Exchange (WSE), Helsinki Stock Exchange (HSE), Zagreb Stock Exchange (ZSE).

Foreign financial instruments / Outside the regulated and multilateral trading system (OTC).

The Bank will review the best places of execution of the investment services. Therefore, on an annual basis, the Bank will publish the following for the individual types of investment instruments:

- a) 5 places of execution of the investment services where the Bank was executing the Client orders in the latest calendar year and which are most important for the Bank in terms of the volume of deals executed,
- b) Summary and conclusions of the analysis resulting from the monitoring of quality of the execution of trade in securities in the transfer points where the Bank executed client orders in the latest calendar year.

6. ARTICLE

Information on the Costs, Related Fees and Commissions Associated with the Provision of Investment Services

Costs and fees for the investment services provided are listed in the particular pricelist of fees for natural persons and legal entities. Information on the fees and compensations is provided to the Client in form of the particular pricelist of fees. The pricelist of fees is also available in the Bank's points of sale and on the Bank's website at www.jtbanka.sk. The Bank notifies the Client that in relation with the provision of investment services and trading in financial instruments, there may be additional costs incurred, including tax obligations that are not paid through the Bank nor are required thereby. For more information, see Annex No. 3 hereto.

7. ARTICLE

Principles for Client categorisation and re-categorisation

7.1. Initial Provisions

In compliance with the Act on Securities, the Bank issues the principles for Client categorisation and re-categorisation. The Bank is obliged to classify every Client into one of the three categories - Non-Professional Client, Professional Client and Eligible Counterparty. Depending on the Client's category, the Bank provides the Client with different levels of protection when providing investment services. The Bank is obliged to inform the Client about every right of the Client to ask for another categorization and every restriction of the Client's protection level relating to such category. The Bank uses the Investment Questionnaire to classify the Client into one of the three categories – Non-Professional Client, Professional Client or Eligible Counterparty. When fulfilling the conditions under the Act on Securities, the Client may ask the Bank for reclassification into another category. When providing investment services or ancillary services and executing investment activities, the Bank follows the principles of fair business relations, acting honestly, justly and with professional care in the interest of its Clients.

7.2. Client categories

7.2.1. Eligible Counterparty (Section 73u of the Act on Securities)

Eligible Counterparty shall mean:

- a) Securities trader or foreign securities trader;
- b) Bank or foreign bank;
- c) Insurance company, foreign insurance company or insurance company from another Member State;
- d) Asset management company, foreign asset management company, mutual fund, European fund, foreign investment firm or foreign mutual fund;
- e) Pension fund management company, supplementary pension company, pension fund, supplementary pension fund, similar foreign companies and funds;
- f) Other financial institution authorised or regulated under the law of the European Union or a Member State;
- g) Person whose scope of business consists of dealing on own account in commodities or commodity derivatives; this shall not apply where the person that deals on own account in commodities or commodity derivatives is a part of a group whose scope of business is the provision of other investment services, investment activities or banking services within the meaning of a separate law;
- h) Business company which provides investment services or investment activities consisting exclusively of dealing on own account on markets in financial futures or options or other derivatives and on cash markets for the purpose of hedging positions on derivatives markets, or a business company which deals for the account of other members of those markets or makes prices for them and which are guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such business company is assumed by clearing members of the same markets;
- i) Public authority of the Slovak Republic or another country, including the Debt and Liquidity Management Agency authorised to execute some activities relating to the state debt and liquidity administration under separate regulation (Act No. 386/2002 Coll. on the national debt and state guarantees, amending Act No. 291/2002 Coll. on State Treasury and on the amendments and supplements to some acts) and the authority of another country authorised or participating in the public debt administration;
- j) National Bank of Slovakia or other national central banks, and the European Central Bank;
- k) International organisation;
- l) Professional Client specified in clause 7.2.2. letter a) to c), unless specified in this clause;
- m) Professional clients as referred to in clause 7.2.2. letter g), at their request, only in respect of the investment services or ancillary services or transactions for which that client could be treated as a Professional client.

In relation to Eligible Counterparties, the Bank is obliged to act fairly, justly and professionally and to communicate with them in a clear, transparent and not misleading way, with respect to the nature of the eligible counterparty and its activity.

7.2.2. Professional Client (Section 8a of the Act on Securities)

Professional Clients are the clients who have professional knowledge, experiences and skills to make their own decisions on investments and for proper evaluation of risks associated therewith. Professional Client shall mean:

- a) Securities trader, foreign securities trader, financial institution, trader in commodities and commodity derivatives;
- b) Business companies which provide investment services or investment activities consisting exclusively of dealing on own account on markets in financial futures or options or other derivatives and on cash markets for the purpose of hedging positions on derivatives markets, or which deal for the accounts of other members of those markets or make prices for them and which are guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such firms is assumed by clearing members of the same markets;
- c) Person who has authorisation to execute its activity on the financial market from the competent authority or its activity is separately regulated by the generally binding legal regulations;
- d) Large business company meeting at least two of the following conditions on an individual basis:
 - i) Total amount of its property exceeds EUR 20,000,000;
 - ii) Net annual turnover exceeds EUR 40,000,000;
 - iii) Its own sources exceed EUR 2,000,000;

- e) State authority, municipality, higher territorial unit, national authority or territorial unit of another country, Debt and Liquidity Management Agency, other country's authority authorised or participating in the state debt management, National Bank of Slovakia, other country's central bank, International Monetary Fund, European Central Bank, European Investment Bank and other similar international organisations;
- f) Legal entity not listed in letters a) to e), the scope of business of which is the investment in financial instruments, including the legal entity, which performs transformation of loans and credits to securities or other financing transactions;
- g) Person who may be treated as a Professional Client at their own request, if the conditions according to the Act on Securities are met.

7.2.3. Non-Professional Client (Section 8a of the Act on Securities)

Non-Professional Client shall mean any client or potential client not falling under the category of Eligible Counterparty or Professional Client.

7.3. Change of category

7.3.1. Change of category for an Eligible Counterparty

Eligible Counterparty is entitled to apply in writing to be reclassified to the category of Professional Client or Non-Professional Client, either in general in relation to any deals or in relation to individual deals. Eligible Counterparty may apply to be reclassified to the Non-Professional Client category if it concludes that it is not duly able to evaluate or manage the risks related to the particular investment service or ancillary service. Such reclassification shall be provided based on a written contract between the Client and the Bank, stating that such person will not be treated as an eligible counterparty when applying the rules for performing activity in relation to Clients; the contract shall also state whether this applies to a single or to several services or transactions or to a single or several types of financial tools or transactions.

7.3.2. Change of category for a Professional Client

Should a Professional Client referred to in clause 7.2.2 letter a) to f) conclude that they are not duly able to evaluate or manage the risks related to the particular investment service or ancillary service, they may ask to be treated the same way as Non-Professional Clients, in particular in relation to a single or several investment services or ancillary services or deals or in relation to a single or several types of financial instruments or deals. Such treatment shall be provided based on a written contract between the Client and the Bank, stating that such person will not be treated as a Professional Client when applying the rules for performing activity in relation to Clients; the contract shall also state whether this applies to a single or to several services or transactions or to a single or several types of financial tools or transactions. The Professional Client under Article 7.2.2 letter a) to e) and g) above, if no longer classified as an Eligible Counterparty, when executing orders on the Client's account, trading on own account or accepting and forwarding orders, may be treated as an Eligible Counterparty exclusively based on the Client's written confirmation given to the Bank prior to concluding such deal, stating that the Client agrees to be treated as an Eligible Counterparty. Such confirmation may be issued for all deals or for individual deals only. Professional Client is obliged to inform the Bank about any change possibly affecting their current classification in the Professional Client category. Should the Bank obtain information that the Client no longer meets the initial conditions making them eligible for the classification as Professional Client, the Bank shall be obliged to adopt any measures necessary for reclassification to another category.

7.3.3. Change of Category for a Non-Professional Client

Non-Professional Client may require to be treated as a Professional Client, in particular in relation to one or several investment services or ancillary services or to a single or several types of financial instruments or transactions, if at least two of the following conditions are met:

- a) The Client meets at least two of the following conditions:
 - i) In the previous four quarters, the Client executed on the relevant financial instrument market in average ten significant deals in financial instruments per quarter, with a significant deal meaning a deal in financial instruments with volume exceeding EUR 6,000, and the relevant market meaning the regulating market, multilateral trading facility or unorganised market accepting the financial instruments, in relation to which the investment services for such Client are provided or are to be provided;
 - ii) Size of the portfolio including the Client's financial instruments and monetary deposits exceeds EUR 500,000;
 - iii) At least for one year, the Client has been executing or executed, in connection with the performance of their employment, occupation or office, the activity in the field of financial market in a position requiring the knowledge of deals or investment services provided or to be provided for such Client;
- b) If the Bank evaluates the professional knowledge, experience and skills of such client and issues written statement that these provide adequate guarantee that considering the nature of the transactions planned or the provision of investment services, this client is able to make their own decisions on investments and understands the relevant risks related therewith. The Client is obliged to declare to the Bank in writing to be treated as a Professional Client. The Bank will provide the Client with a clear written warning about the possibility of loss of the rights for

protection and the rights for compensation and the Client is obliged to state in writing that they are aware of the consequences of losing the rights for protection and rights for compensation;

- c) The Client expressly declared to the Bank, that they require to be treated as a Professional Client, in particular in relation to one or several investment services or ancillary services or to a single or several types of financial instruments or transactions;
- d) The Bank provided this person unambiguous written notice on the possibility of losing the rights for protection and rights for compensation;
- e) The Client has stated in writing, in a document separate from the contract that they are aware of the loss of rights under letter d).

7.4. Restriction of the level of client protection by categories

7.4.1. Level of client protection in the Eligible Counterparty category

When executing orders on the Clients' account, in dealing in its own account or in accepting and forwarding orders with the eligible counterparty, the Bank is not obliged to adhere to Sections 73b to 73m and 73o to 73t of the Act on Securities.

7.4.2. Level of client protection in the Professional Client category

In relation to the Professional Client, the Bank is entitled to assume that the Client has professional knowledge, experiences and skills to take their own investment decisions and to duly evaluate the risks associated therewith. Therefore, the Client loses the right to protection and some of the rights provided to Non-Professional Clients as investors pursuant to the Act on Securities. Therefore, the Bank is not obliged to inquire the knowledge and financial capacities of the Professional Client and provide them with corresponding protection.

7.4.3. Level of client protection in the Non-Professional Client category

The Bank provides Non-Professional Clients with increased protection. In relation to the Non-Professional Client, the Bank is obliged to adhere to Sections 73 b to 73v of the Act on Securities, in particular to fulfil the information obligations towards the Client and examine their knowledge and experience in the field of investments, find information about the Client's financial situation and their investment goals and based on the information found from the Client this way to recommend the investment service or financial instrument suitable for them or to evaluate whether the offered or required investment instrument, investment service or ancillary service are suitable for the Client.

7.5. Special Provisions:

The Client is obliged to inform the Bank without undue delay about any change possibly affecting their current classification in particular category. The Bank informs the Client about being entitled, based on its own decision, to treat the Client who is an Eligible Counterparty as the Professional Client or Non-Professional Client and with the Client who is considered as a Professional Client under clause 7.2.2 letter a) to f) as the Non-Professional Client. The same applies if the Client asks the Bank for such treatment. The Bank shall inform the Client that concluding any agreements, they may ask to be treated as Non-Professional Clients.

This document is effective from 19 June 2023

Bratislava, 18 June 2023

Ing. Anna Macaláková

Director and Head of the Organisational Unit
J&T Banka, a.s., pobočka zahraničnej banky

List of Annexes:

1. List of Agents
2. Procedures for determining and managing conflicts of interests
3. Information on the Costs, Related Fees and Commissions Associated with the Provision of Investment Services

Annex No. 2 to the Preliminary Information of J&T BANKA, a.s., pobočka zahraničnej banky
LIST OF AGENTS

ID No.	Business name Name	Registered office	Agent	NBS Reg. No.
-	-	-	-	-

**Annex No. 2 to the Preliminary Information of J&T BANKA, a.s., pobočka
zahraničnej banky PROCEDURES FOR DETERMINING AND MANAGING CONFLICTS**

OF INTERESTS

J&T BANKA, a. s., acting through J&T Banka, a.s., pobočka zahraničnej banky (hereinafter referred to as the “**Bank**”), in compliance with Section 71 l) of Act No. 566/2001 Coll. on Securities, as amended (hereinafter referred to as the “**Act on Securities**”) defined the procedures and rules for finding and managing conflict of interests that were implemented into its internal regulations and at the same time adopted additional practical measures ensuring their application and continuous control (hereinafter referred to as the “**Conflict of Interests Policy**”). Through this document, the Bank informs the public on the basic points and main principles of the Conflict of Interests Policy, identified cases of the conflict of interests and adopted measures aimed at preventing the conflict of interests or efficient management thereof.

The goal of the Conflict of Interests Policy is to ensure that the Bank, in providing the investment services, efficiently found and managed the conflicts of interests so that no harm to the clients' interests occurred as a result thereof, both within the Bank as well as other persons if they create a business grouping with the Bank.

The Conflict of Interests Policy contains rules for finding and managing conflicts of interest in relation to the provision of investment services between:

- The Bank, its managers, tied agents and its employees and clients or potential clients of the Bank;
- The person controlling the Bank, is controlled by the Bank or a person controlled by the same person as the Bank and their managers and tied agents, the Bank clients and potential clients;
- The Clients or potential clients of the Bank mutually;
- The investment agents through which the Bank performs its activities and their clients.

If a conflict of interests cannot be averted, the Bank shall act fairly and in the Client's best interest, in particular always trying to prioritise the Client's interests to its own interests or interests of the persons creating the business grouping with the Bank. If a conflict of interests arises between the clients mutually, the Bank shall try to ensure fair solution for such clients. If such fair solution cannot be ensured, the Bank may refuse to provide the service to the Client.

When detecting and assessing the conflict of interests, the Bank shall consider, whether or not the Bank itself or some of the aforementioned persons or a person with special relationship to the Bank¹:

- May obtain financial benefit or avoid financial loss at the Client's expense;
- Has a different interest in the result of the service provided to the Client or in the result of the deal executed on behalf of the Client from this Client's interest;
- Is motivated to prioritise the Client's interest to interests of another Client;
- Is in business in the same field as the Client;
- Receives or will receive an incentive in connection with the service to the Client from a person other than the Client and the incentive is not the usual compensation for the service provided.

¹ Under Section 87(8) of the Act on Securities, a person with special relationship to the securities trader shall mean:

- a) Members of the statutory body of the securities trader, managers of the securities trader, other employees of the securities trader determined by the charter of the securities trader and the confidential clerk of the securities trader;
- b) Members of the supervisory board of the securities trader;
- c) Legal entities or natural persons having control over the securities trader, members of the statutory bodies of such legal entities and managers of such legal entities;
- d) Persons close 83) to the members of the management board of the securities trader, supervisory board of the securities trader, managers of the securities trader or natural persons having control over the securities trader;
- e) Legal entities in which some of the persons listed under letters a), b), c) or d) have qualified participation;
- f) Shareholders with significant influence in the securities trader and any legal entity under their control or having control over them;
- g) Legal entities controlled by the securities trader;
- h) Auditor or natural person performing audit activity on behalf of the audit company;
- i) Member of the statutory body of another securities trader and head of the branch of foreign securities trader; Head of the branch of foreign securities trader and their deputy.

Measures for detecting and managing conflict of interests

Within the efficient conflict of interest management, the Bank:

- Has set up such an organisational structure of the company and the whole consolidation unit, the Bank is a member of, ensuring personal segregation of the individual organisational units in a way efficiently preventing an undesirable flow of information and possible misuse thereof;
- Ensures substantive, functional and organisational independence of the individual organisational units, having sufficient material and organisational conditions for objective performance of their activity;
- Has rules implemented for execution of personal deals of the Bank employees and other persons related to the Bank and carries out regular control thereof;
- Keeps the lists of investment instruments (watch list, restricted list), where conflict of interests could possibly arise;
- Keeps the lists of insiders, i. e. the persons with access to internal information;
- Within the internal control system, ensures regular supervision (compliance, internal audit) over the persons providing investment services on behalf of the Bank.

All the Bank's organisational units are obliged to participate in the detection and management of the conflict of interests and in the event of impending or actual conflict of interests; they are obliged to inform the Compliance Unit and the Bank's statutory body without undue delay.

Within the conflict of interests' management and internal control system, the Bank shall investigate the circumstances possibly leading to the conflict of interest in relation to particular investment services and activities provided by the Bank or another person on its behalf, representing significant danger of harming the Client's interests (so-called **significant conflict of interests**), and also keeps up-to-date registration of the investment services causing or possibly causing a significant conflict of interests.

The Bank shall also ensure that the persons with special relationship to the Bank, participating in the execution of services associated with a significant conflict of interests, perform their activity with such a degree of independence that is adequate to the nature, extent and complexity of the activities of the Bank and its business grouping and the severity of the danger of harm to the Clients' interests. In order to ensure the necessary degree of independence based on the particular circumstances, the Bank takes actions aimed at:

- a) Preventing or control of the exchange of information between the persons with special relationship to the Bank, if a risk of conflict of interests is connected to the information and if the exchange of information could harm the Client's interests;
- b) Independent check of the persons with special relationship to the Bank, participating in executing the services for Clients, the interests of which or the interests of persons they are executing activities for may be mutually in conflict;
- c) Preventing any direct bond between the reward of the person with special relationship to the Bank usually executing particular activity and the reward or incomes of another person with special relationship to the Bank executing another activity, if a conflict of interests may arise in relation of these activities;
- d) Preventing the possibility of executing unauthorised or unfounded impact on the manner whereby a person with special relationship to the Bank provides for the execution of investment services;
- e) Preventing a person with special relationship to the Bank to participate in providing the investment service if such provision could endanger a proper management of the conflict of interests or provision of control over such activity so that no danger to the proper management of the conflict of interests occurred again.

In the cases when a conflict of interests cannot be effectively prevented, before providing the investment service, the Bank shall inform the Client on the conflict of interests or its nature and source and the Client has the option to consider the conflict of interests and to make a qualified decision whether or not to use the investment services offered by the Bank.

Within the Bank, the conflict of interests is connected mainly with the following investment services: accepting, handing over and executing the Client's order, managing the Client's assets, investment advice, subscription and placement of investment instruments and provision of investment recommendations and investment opportunity analyses.

Main cases of conflict of interests in providing investment services by the Bank²:

Acceptance, hand-over and execution of Clients' orders regarding the investment instruments

A situation may occur when the Bank simultaneously receives orders from different Clients with identical parameters.

The Bank prevents such a conflict of interests by consistent adherence to the Order Execution Policy, in particular the time priority of the orders received, entering thereof in the trading system and execution.

² Within its professional care, the Bank provides Clients with information on the potential conflict of interests. Therefore, the aforementioned examples do not describe the particular cases of conflict of interests possibly occurring in the Bank.

If the Bank receives an order from the Client, in its volume significantly exceeding the usual volume of the orders entered, the Bank shall try to execute such order with professional care without undue delay. However, there may be a situation when the Bank receives an order for an identical investment instrument from another client in a significantly lower volume during the execution of the aforementioned order. In such case, the smaller order may be also executed during the execution of the larger order submitted earlier.

This is without prejudice to the Bank's obligation to act towards Clients fairly and with professional care and to ensure the best possible execution of orders in compliance with the Order Execution Policy while adhering to the Conflict of Interests Policy.

Some order of Clients may refer to the investment instruments issued by a company which is a part of the Bank's business grouping or the companies which authorised the Bank or another company within its business grouping to distribute the particular investment instruments or traded by a company the Bank has other extraordinary relationships with.

The Bank prevents such a conflict of interests by consistent adherence to the Order Execution Policy and the personal and system segregation of individual organisational units. The Bank shall also inform the Client about such situation.

When trading on the Bank's own account, a conflict of interests between the Bank and a Client may arise, if the Client submits orders for deals identical with the deals executed by the Bank on its own account.

The Bank manages such conflict of interests by the organisational and personal segregation of the unit executing the deals on the Bank's own account and the unit executing deals on the Clients' accounts.

Managing the Client's assets

When providing the Client asset management services, if an investment instrument is included, based on free discretion within the contractual arrangement, the deals on behalf of the Client are executed by the person authorised by the Client (portfolio manager) according to their own discretion based on the investment strategy selected in advance. Thus, the Client does not decide about the partial deals independently.

The Bank prevents possible conflict of interests by organisational and personal segregation of the unit managing the Client portfolios from the other units participating in the provision of investment services and at the same time informs on such circumstance the Client who should consider it within their decision and also continuously check the monitoring of the selected investment strategy and the current portfolio composition.

Investment advice

A conflict of interests between the Bank and the Client may arise in relation to the investment advice provision service if the Bank or a company included in its business grouping is motivated to place or distribute investment instruments that are subject to the Bank's advice. These are mainly situations where the Bank has a contract concluded with the issuer of the investment instruments also regarding the distribution of such investment instruments or is interested in supporting the deal in the investment instruments of some of the members of its business grouping or another particular issuer (for example due to extraordinary mutual relationship).

This is a case of conflict of interests that can be efficiently prevented by the Bank and the Bank informs the Client about. Therefore, the Client should always consider this fact before submitting the order as well as whether the recommended investment instrument is really the most suitable considering their needs, investment goals and strategy.

If the Bank distributes the investment instruments or intermediates deals in them, it usually receives reward for such activity, the amount of which usually differs case by case. A situation may occur when the Bank could be motivated to promote certain investment instruments to the detriment of others considering the amount of reward.

This is a case of conflict of interests that can be efficiently prevented by the Bank and the Bank informs the Client about. Therefore, the Client should always consider this fact before submitting the order as well as whether the recommended investment instrument is really the most suitable considering their needs, investment goals and strategy, above all, the Client can ask for information about the amount of reward – see the last section of this document.

Subscription or placement of investment instruments

In relation to the investment service of subscription or placement of investment instruments, a conflict of interests may arise between the Client and the Issuer of the investment instruments, with both interests being represented by the Bank.

The Bank prevents such a conflict of interests by consistent adherence to the Order Execution Policy and the strict personal and system segregation of individual organisational units providing the services to the issuer and the services to the Client. Moreover, the Bank shall inform the Client about the above and the Client should always consider this fact before submitting the order as well as whether the particular investment instrument is really the most suitable

considering their needs, investment goals and strategy.

Providing investment recommendations and investment opportunity analyses

In relation to the investment service of providing investment recommendations and investment opportunity analyses, a conflict of interest of the persons creating material content of the investment opportunity analysis may arise, in particular in executing personal deals with such persons or providing some investment services with investment instruments referred to by the investment opportunity analysis, if this happens in time or material connection with the investment opportunity analysis.

The Bank prevents this conflict of interests by organisational, personal and systemic segregation of the unit creating and publishing investment recommendations and investment opportunity analyses and the units providing investment services to Clients as well as through internal regulations determining the rules for creating and publishing investment recommendations and investment opportunity analyses and the rules for executing personal deals of the persons creating material content of the recommendations and the investment opportunity analyses – see the next section of this document.

MANAGING CONFLICT OF INTERESTS IN RELATION TO INVESTMENT OPPORTUNITY ANALYSES

The Bank takes actions in relation to the persons creating material content of the investment opportunity analyses (hereinafter referred to as the “analyst”), which in certain cases prevent these persons to execute personal deals or participate in provision of some investment services with investment instruments, referred to by the investment opportunity analysis or with the related investment instruments, if this would happen in time or material connection with the investment opportunity analysis.

In particular, these are measures that:

- Prevent the analysts to execute personal deals in contradiction with the applicable recommendation, apart from the exceptional circumstances and if the compliance officer expressed consent to the personal deal;
- Prevent the analysts and other Bank employees to accept any incentive from a person who has interest in the subject of investment opportunity analysis;
- Forbid the analysts to promise the issuer a favourable result of the investment opportunity analysis;
- Prevent the issuer, a person with special relationship to the Bank and other persons apart from the analysts evaluated the draft analysis of the investment opportunities, with the exception of verification of the issuer's legal obligations in the event of analysis of the investment opportunities containing the investment recommendation or the target price.

The Bank provides for functional and organisational independence of the unit designated to create and distribute the investment recommendations and investment opportunity analyses, having sufficient material and organisational conditions for independent performance of its activity.

For the purposes of transparency of the investment recommendations, the Bank publishes on its website on a quarterly basis the information on the currently valid investment recommendations and the shares of issuers referred to in the investment recommendations falling under each of the degrees of recommendations provided by the Bank within the last 12 months of the investment service of a significant extent.

The Bank may deal with the investment instruments, it has issued investment recommendation to. Considering the fact that the Bank usually issues the investment recommendations which in general have a horizon in months, a situation may occur when the Bank for a short time executes deals in a direction contrary to the one recommended by the investment recommendation. When assessing whether or not this causes a conflict of interests, it shall be necessary to assess the time horizon of the investment recommendation and the deal executed. If the investment project of the Bank's deal has a different investment horizon than the investment horizon of the investment recommendation, the Bank does not evaluate such situation as a conflict of interests.

The aforementioned rules do not apply in the event of distribution of an analysis of investment opportunities created by another person for the public or for the Clients, if the Bank:

- Does not belong to the same business grouping as the person who created the investment opportunity analysis;
- Does not change the analysis of investment opportunities substantially;
- Does not create an impression that this is an analysis of investment opportunities it has created itself;
- Verifies that the person who created the investment opportunity analysis is subject to comparable requirements as regards the creation and prevention of the conflict of interests in connection with the investment opportunity analysis.

Detailed rules for the creation and distribution of the investment recommendations and investment opportunity analyses are determined in the Bank's internal regulation.

INCENTIVES

The so-called incentives in providing the investment services by the Bank are a specific case of conflict of interests.

When providing investment services, the Bank must not accept, offer or provide a fee, reward or non-monetary benefit possibly leading to violation of the Bank's obligation as the securities trader to act professionally, fairly, justly and in the Clients' best interest.

The Bank approaches the incentives management in the same way as the conflict of interests. This means that the Bank provides for identification of incentives, manages them efficiently and takes measures against the origin or acceptance, offering or providing of inadmissible incentives.

At the general level, the Bank differentiates the following categories of incentives it may provide or accept:

- 1) So-called customer and operational incentives that are acceptable:
 - a) Incentives paid by the Client, on the Client's behalf or paid to the Client.
 - b) Incentives enabling or necessary to provide the investment services, if the acceptance, offering or provision thereof does not contradict the Bank's obligation to act professionally, fairly, justly and in the Client's best interest. These include e. g. payments for audit, accounting, legal and tax services or strategic advice, fees of the regulated market, settlement system and person keeping registration of the investment instruments, compensation for the execution of the depository activities or fees for the securities management, cost related to the fulfilment of obligations towards CNB or NBS (administrative fees, reporting system costs) and to Clients (printing information reports), contributions to the Securities Traders Guarantee Fund, subscription fees, postal and other communication fees including SWIFT, fees associated with bank account keeping, fees for using paid information services (e. g. Bloomberg, ASPI, Beck-online), payments made in connection with participation in general meetings, distribution of dividends, etc., trainings prescribed by legal regulations, etc.
- 2) Incentives paid to a third party or on behalf of a third party or provided by a third party or on behalf of a third party that are admissible based on fulfilment of the following cumulative conditions:
 - a) Prior to the provision of the main or ancillary investment service, the Client was clearly, comprehensively and fully informed on the existence and nature of the incentive as well as the amount or value of the incentive and the method of its calculation, unless it can be determined in advance;
 - b) The incentive contributes to the improvement of quality of the service provided;
 - c) The incentive does not contradict the Bank's obligation as the securities trader to act in the Client's best interest.

For summary information on the existence and nature of the incentives according to the clause 2) letter a) above, see below. The Bank will provide the Client with detailed information on the individual incentives on request.

At the particular level, the Bank differentiates the following incentives:

- 1) Any fees, commissions, rewards, costs, etc., paid by the Client to the Bank based on the Bank's Investment Services Pricelist or based on contractual arrangement between the Client and the Bank or on the contrary, provided by the Bank to the Client (e. g. discounts, benefits, special treats) – **incentives admissible according to clause 1) letter a) above.**
- 2) Any costs relating to the provision of investment services to Clients by the Bank, paid by the Bank to third parties, in particular the fees of regulated market operators, settlement systems, custodians, depositories, securities traders and banks – **incentives admissible according to clause 1) letter b) above.**
- 3) Any commissions, rewards and non-monetary performances paid to third persons, in particular investment agents or other entities of the business groupings, the Bank is a member of, the services of which the Bank uses in providing some investment services to the Clients (in particular in accepting and handing over the orders relating to investment securities or collective investment securities). The amount or value of individual commissions, rewards and payments in kind (e. g. in form of advice, technical and information support, trainings, study materials, etc.) or the method of their calculation are determined in the contractual arrangement between the third party and the Bank, with the amount of this incentive in form of investment agent commission or reward shall be usually derived from the fee paid by the Client to the Bank (difference in the Bank's Investment Service Pricelist and the Pricelist of the particular investment agent) or from the volume of the Client's deal. On the Client's request, the Bank shall provide detailed information on the amount or value of individual commissions, rewards and payments in kind or the method of calculation thereof – **incentives admissible under the conditions listed in clause 2) above (fulfilled cumulatively).**
- 4) Any shares in the so-called management fee paid to the Bank by domestic or foreign collective investment entities, the securities of which are distributed by the Bank and which are bought through the Bank by the Bank Clients. The management fee is determined as a particular share in the collective investment

fund value and its particular amount is determined in the prospectus or in the collective investment fund statute fee. The share in management fee attributable to the Bank is determined in the contractual arrangement between the Bank and the collective investment entity and shall be calculated from the value of assets of the collective investment fund, created from the investments of the Bank Clients. Details on the particular amount of individual shares in the management fee of individual collective investment entities shall be provided by the Bank to the Clients on request - **incentives admissible under the conditions listed in clause 2) above (fulfilled cumulatively).**

In the event of interest in more detailed information, the Bank may

be addressed at: J&T BANKA, a. s., pobočka zahraničnej banky
Dvořákovo nábrežie 8
811 02, Bratislava Slovak
Republic
e-mail: info@jtbanka.sk

**Annex No. 3 to the Preliminary Information of J&T BANKA, a.s., pobočka
zahranicnej banky**

Information on the Costs, Related Fees and Commissions Associated with the Provision of Investment Services

1. The so-called incentives in providing the investment services by the Bank are a specific case of conflict of interests.
2. Incentives shall mean the acceptance or provision of compensation or other monetary or non-monetary benefit by the Bank in provision of investment services, which may lead to violation of the obligation to provide investment services with professional care or violation of the obligation to manage and prevent conflict of interests.
3. Compensation or other financial or non-monetary benefit received from the Client or a person acting on the Client's behalf or provided to the Client or a person acting on the Client's behalf shall not be considered an incentive.
4. The Bank approaches the incentives management in the same way as the conflict of interests. This means that the Bank provides for identification of incentives, manages them efficiently and takes measures against the origin or acceptance, offering or providing of inadmissible incentives.
5. An incentive is admissible if
 - 5.1 it is aimed at improving the quality of the service provided and is not in contradiction with the obligation determined in Articles 2 and 3, or
 - 5.2 it enables the provision of investment services or it is necessary for such purpose and its nature is not in contradiction with the obligation determined in Articles 2 and 3.

Classification of incentives

6. At the general level, the Bank differentiates the following categories of incentives it may provide or accept:
 - 6.1 So-called customer and operational incentives that are acceptable:
 - a) Incentives paid by the Client, on the Client's behalf or paid to the Client.
 - b) Incentives enabling or necessary to provide the investment services, if the acceptance, offering or provision thereof does not contradict the Bank's obligation to act professionally, fairly, justly and in the Client's best interest. These include e. g. payments for audit, accounting, legal and tax services or strategic advice, fees of the regulated market, settlement system and person keeping registration of the investment instruments, compensation for the execution of the depository activities or fees for the securities management, cost related to the fulfilment of obligations towards CNB or NBS (administrative fees, reporting system costs) and to Clients (printing information reports), contributions to the Securities Traders Guarantee Fund, subscription fees, postal and other communication fees including SWIFT, fees associated with bank account keeping, fees for using paid information services (e. g. Bloomberg, ASPI, Beck-online), payments made in connection with participation in general meetings, distribution of dividends, etc., trainings prescribed by legal regulations, etc.
 - 6.2 Incentives paid to a third party or on behalf of a third party or provided by a third party or on behalf of a third party that are admissible based on fulfilment of the following cumulative conditions:
 - a) Prior to the provision of the main or ancillary investment service, the Client was clearly, comprehensively and fully informed on the existence and nature of the incentive as well as the amount or value of the incentive and the method of its calculation, unless it can be determined in advance;
 - b) The incentive contributes to the improvement of quality of the service provided;
 - c) The incentive is not in contradiction with the Bank's obligation as the securities trader to provide investment services with professional care and avoid conflict of interests in doing so.

Rules for accepting and providing incentives

7. Incentives serve for improving the quality of services provided to Clients, if all the following conditions are met:
 - 7.1 The incentive is connected with providing ancillary service or a service at a higher level to the Client, at least in the value proportional to the incentive obtained. In particular, the Bank considers these the following:
 - a) Provision of access to a wide range of investment instruments likely to suit the needs of the Client, including the corresponding number of instruments of the investment instrument providers among third persons not having close connection to the Bank; jointly either providing assistance with added value such as objective information sources helping the Client make investment decisions or helping

them monitor, model and adjust the range of investment instruments they have invested in or with provision of regular reports on performance, costs and compensation related to the investment instruments;

- b) Utilisation of a wide branch network;
- c) In particular cases, option to utilise investment services with assistance of private bankers outside usual business hours, immediately upon receiving the Client's requirements or outside the Bank's business premises;
- d) If necessary and where suitable, familiarisation of the Client with the contractual documentation;
- e) If necessary and where suitable, explanation of the principles of the collective investment funds working principles;
- f) If necessary and where suitable, familiarisation of the Client with the practical aspects of investing in the offered collective investment funds;
- g) If necessary and where suitable, introduction of the electronic portal by the Bank to the Client, through which it is possible to invest in the investment instruments;
- h) Where possible due to the investment service provided and the valid legal regulation, providing Clients with information on the significant financial market events. These include in particular:
 - i) Annual summary of the significant events on the financial market and their impact on the Client's investments;
 - ii) Notification in the case of substantial and unexpected events with impact on the Client's investments;
 - iii) General recommendations on possible reallocation of the portfolio according to the market situation development;
 - iv) Monitoring the Client's portfolio and providing general recommendations;
 - v) Providing recommendations considering the Client's changing life situation;
- i) If necessary and where suitable, providing explanation of the individual items of the statements provided to the Client;
- j) If the banking service agreement has been concluded through an investment agent, the agent operates for the Client as the contact person in relation to the Bank;

7.2 The incentive received is not directly beneficial to the Bank, its shareholders, partners or employees, unless it would bring material benefit to the particular Client;

7.3 If the incentive is continuous, the higher-level ancillary services are provided to the Client on a continuous basis.

- 8. The higher-level ancillary services according to Article 7.1(d) to (j) are provided to the Client by the investment agent. The particular investment agent does not have to provide the Client with all of these ancillary services at a higher level due to different arrangement of the contract between the agent and the Client.
- 9. The Bank adheres to the requirement according to Article 7 continuously for the whole period when the incentive is being provided or accepted.
- 10. The Bank maintains records of the fact that the incentive accepted or provided serves for improving the quality of the investment service provided to the Client.**

Incentives in relation to portfolio management

- 11. In the event of the portfolio management service, the Bank does not retain the incentives in the form of compensation or other monetary benefit and does not accept incentives in the form of non-monetary benefits; this does not apply for minor non-monetary incentives that may contribute to the improvement of quality of the service provided and which, considering their extent and nature, cannot be considered as advantages leading to violation of the Bank's obligation to act in the Client's best interest, if the Client is clearly informed about them.
- 12. The Bank shall transfer to Clients in full extent any incentives provided by a third person or a person acting on behalf of a third person in relation to the portfolio management provided to such Client, without undue delay following the acceptance thereof.**

Minor monetary benefits

- 13. Minor monetary benefits shall mean the following benefits, if justifiable and adequate and in an extent making it unlikely to impact the Bank's behaviour in a way harming the particular Client's interests:

- 13.1 Information or documents relating to the investment instrument or investment service, having a general nature or adapted to the requirements of the particular person and reflecting the situation of the particular Client,
- 13.2 Documents from a third person, ordered and paid for by the issuer or potential issuer, who is a business company, aimed at promoting the issue of the new issue of securities of this issuer or if a third person is contractually bound and paid by the issuer to continuously create such documents and if such relationship is clearly stated in the documents and the documents are made available at the same time to every securities trader interested in it or publicly available,
- 13.3 Participation at conferences, seminars or other training events focusing on the advantages and features of the particular investment instrument or investment service,
- 13.4 Catering and accommodation to a reasonable extent and minimum value, in particular catering and beverages during business meetings or conferences, seminars and educational events according to clause 13.3.,
- 13.5 Other minor non-monetary benefits that may improve the quality of the service provided to the Client and with respect to the total amount of performances provided by a single entity or a group of entities, have such an extent and nature that they cannot violate the obligation of the securities trader to act in the Client's best interest, or
- 13.6 Other minor non-monetary benefits, the overview of which is published by the Czech National Bank or National Bank of Slovakia on its websites; such benefit has to improve the quality of the services provided to the Client and considering the total level of benefits provided by a single person or a group of persons has such an extent and nature that it is unlikely to have a negative impact on the fulfilment of the Bank's obligation to act in the Clients' best interest.**

Incentives in relation to research

14. Research accepted from third parties shall not be considered as incentive because it is a countervalue for the Bank's direct payments from its own sources.

Information requirements

15. The Bank is obliged to inform the Client sufficiently in advance before providing the investment service in a clear, detailed, accurate and understandable manner about the existence, nature and amount of incentives as well as the method for calculation thereof if the amount cannot be determined.
- 16. The Bank may describe the minor non-monetary benefits generally, other non-monetary benefits shall be evaluated and reported separately.**
- 17. If the Bank was not able to find out the incentive amount to be accepted or provided in advance and instead of that informed the Client about the method of calculation of the amount, it shall subsequently provide its Clients with information about the accurate amount of payment or benefit accepted or provided.**
- 18. If the Bank continuously accepts incentives in connection with investment services provided to Clients, it shall inform each of its Clients individually, at least on an annual basis, about the actual amount of payments or benefits received in relation to them.**
19. Where appropriate, the Bank is obliged to inform the Client sufficiently in advance before providing the investment service about the method of transfer of the incentives in form of compensation or another monetary benefit obtained in connection with the provision of the investment service for the Client.
20. The summary information about the existence and nature of incentives according to the mentioned Article 15 above is enclosed in the Annex hereto.
- 21. The Bank informs the Client about the obtained minor non-monetary benefits before providing the investment service.**
- 22. The Bank informs the Client about the incentives transferred to them according to Article 13 through regular reports.**

Final Provisions

23. The Bank fulfils its obligations resulting from this regulation also in relation to potential Clients.

Annex to the Information on the Costs, Related Fees and Commissions Associated with the Provision of Investment Services

At the particular level, the Bank differentiates the following incentives:

1. Any fees, commissions, rewards, costs, etc., paid by the Client to the Bank based on the Bank's Investment Services Pricelist or based on contractual arrangement between the Client and the Bank or on the contrary, provided by the Bank to the Client (e. g. discounts, benefits, special treats) – incentives admissible according to Article 6.1(a) above.
2. Any costs relating to the provision of investment services to Clients by the Bank, paid by the Bank to third parties, in particular the fees of regulated market operators, settlement systems, custodians, depositories, securities traders and banks – incentives admissible according to Article 6.1(b) above.
3. Any commissions, rewards and payments in kind paid to third persons, in particular investment agents or other entities of the business groupings, the Bank is a member of, the services of which the Bank uses in providing some investment services to the Clients (in particular in accepting and handing over the instructions relating to investment securities or collective investment securities). The amount or value of individual commissions, rewards and payments in kind (e. g. in form of advice, technical and information support, trainings, study materials, etc.) or the method of their calculation are determined in the contractual arrangement between the third party and the Bank, with the amount of this incentive in form of investment agent commission or reward shall be usually derived from the fee paid by the Client to the Bank (difference in the Bank's Investment Service Pricelist and the Pricelist of the particular investment agent) or from the volume of the Client's deal. **On the Client's request, the Bank shall provide detailed information on the amount or value of individual commissions, rewards and payments in kind or the method of calculation thereof - incentives admissible under the conditions listed in clause 6.2 above (fulfilled cumulatively).**
4. Any shares in the so-called management fee paid to the Bank by domestic or foreign collective investment entities, the securities of which are distributed by the Bank and which are bought through the Bank by the Bank Clients. The management fee is determined as a particular share in the value of collective investment fund assets and its specific amount is determined in the prospectus or in the collective investment fund statute. The share in management fee attributable to the Bank is determined in the contractual arrangement between the Bank and the collective investment entity and shall be calculated from the value of assets of the collective investment fund, created from the investments of the Bank Clients. **Details on the particular amount of individual shares in the management fee of individual collective investment companies shall be provided by the Bank to the Clients on request - incentives admissible under the conditions listed in clause 6.2 above (fulfilled cumulatively).**