

# INVESTMENT SERVICES IN THE UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S., THE BRANCH OF THE FOREIGN BANK

UniCredit Bank Czech Republic and Slovakia, a.s., as one of leading banks in the Czech Republic, would like to advise herewith its clients on basic rules for the provision of investment services by the Bank, including a basic description of compliance with relevant regulatory rules and principles of protection of investment banking customers.

UniCredit Bank Czech Republic and Slovakia, a.s., is part of the strong and powerful European banking Group UniCredit with a dominant position in Central and Eastern Europe. Thanks to it UniCredit Bank Czech Republic and Slovakia, a.s. facilitates the international trade and contacts with its partners to its clients.

UniCredit Bank Czech Republic and Slovakia, a.s., offers comprehensive and quality products and services provided by personal bankers with appropriate expertise and sufficient scope of competencies. Every client is individually approached by his/her personal banker who prepares for him/her meaningful, useful and effective solutions and offers. The relationship of a personal banker with clients is based on mutual trust and discretion.

## **Information on UniCredit Bank Czech Republic and Slovakia, a.s., basic information on provided investment services**

### Information on the Bank:

Business company: **UniCredit Bank Czech Republic and Slovakia, a.s.**

Official address: Prague 4 - Michle, Želetavská 1525/1, postcode 140 92

Id. No.: 64948242

Registration in the Commercial register: section B, file 3608 of the Commercial register kept by the Municipal court in Prague, performing the banking activities at the territory of the Slovak republic through its organisational unit (a branch) with the official address in Bratislava designed as:

Organisational unit:

**UniCredit Bank Czech Republic and Slovakia, a.s., the branch of the foreign bank**

Šancová 1/A, 813 33 Bratislava, Slovak republic,

Id. No.: 47 251 336,

Registered in the Commercial register of the Regional court in Bratislava I, section: Po, file No.: 2310/B.

(hereinafter also as the “Bank” or “UniCredit Bank”).

UniCredit Bank Czech Republic and Slovakia, a.s., the branch of the foreign bank, is the organisational unit of the foreign bank having its official address in the member state of the European Union, situated at the territory of the Slovak republic that performs banking activities and that is entitled to provide investment services, investment activities and provide secondary services. UniCredit Bank Czech Republic and Slovakia, a.s., holds the bank licence issued on

16.1.2004 by the Czech National Bank (ref. No. 2004/141/520, file 520/93/19.12.2003). In accordance with the relevant European Community rules governing the operation of banks and investment companies and in accordance with § 11 of Act No. 483/2001 Coll. on banks as amended, UniCredit Bank Czech Republic and Slovakia, a.s. has established a branch in the Slovak Republic for the purpose of providing of relevant banking and investment services. UniCredit Bank Czech Republic and Slovakia, a.s., the branch of the foreign bank, is subject, within the provision of investment services, to the supervisory authority of the home state of the foreign bank (the Czech National Bank) and also to the supervisory authority of the host state (the National Bank of Slovakia), especially with regard to the Bank's rules of business in relation to clients in terms of the Act No. 566/2001 Coll. on securities and investment services and on changes and amendment of certain laws as amended (hereinafter referred to as the "Act on securities").

		<b>Financial instruments involved in the service</b>		
		Investment securities (shares, bonds, etc.)	Securities of collective investment (mutual funds etc.)	Instruments of monetary market
<b>Investment services and activities</b>	Reception and transmission of orders	✓	✓	✓
	Execution of orders on behalf of the client	✓	✓	✓
	Dealing on own account	✓	✓	✓
	Investment advice	✓	✓	✓
	Portfolio management			
	Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis	✓	✓	
	Placing of financial instruments without a firm commitment basis	✓	✓	
	Operation of multilateral trading facility			
	Operation of organised trading facility			
<b>Ancillary services</b>	Safekeeping and administration of financial instruments at client's account, including the custodianship and related services, namely cash/collateral management	✓	✓	✓
	Provision of credit or loan to the investor to allow to carry out a transaction with one or more financial instruments where the firm is involved in the transaction	✓	✓	✓
	Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings		✓	
	Foreign exchange services where these are connected to the provision of investment services		✓	

		✓	✓	✓
	Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments			
	Services related to underwriting	✓	✓	
	Investment services and activities that relate to underlying assets of the derivatives connected to the provision of investment or ancillary services			

The detailed scope and exact list can be directly verified at official web pages of the National Bank of Slovakia [www.nbs.sk](http://www.nbs.sk).

Supervisory bodies:

**Česká národní banka**

Na Příkopě 28  
115 03 Praha 1  
tel.: 224 411 111  
fax: 224 412 404  
[www.cnb.cz](http://www.cnb.cz)

Green line (mainly for possible claims): phone: 800 160 170

(Address of filing room: Česká národní banka, Senovážná 3, 115 03 Praha 1, electronic filing room: [podatelna@cnb.cz](mailto:podatelna@cnb.cz))

**Národná banka Slovenska**

Imricha Karvaša 1  
813 25 Bratislava

Membership in professional associations, public markets and settlement systems:

- Slovak Bank Association
- Association of investment firms
- Stock exchange in Bratislava (Burza cenných papierov v Bratislave, a.s.)
- Central Depository of Securities SR, (Centrálny depozitár cenných papierov SR, a.s.)

Communication with clients

The Bank puts the greatest emphasis on its flexible and prompt communication with its clients. Each client may contact his/her banker with any question concerning the provision of the relevant investment service or financial instrument. If the client is not sure of the specific contact details of the banker, he/she can contact the phone number +421 2 4950 1111 or the Unitel line: 0800 14 00 14 daily from 07:00 am to 22:00 pm or by e-mail at the address [unitel@unicreditgroup.sk](mailto:unitel@unicreditgroup.sk). Further contact information are shown at web pages of the Bank at: [www.unicreditbank.sk](http://www.unicreditbank.sk).

UniCredit Bank is able to communicate with its clients not only in the Slovak language, but also in the English language. In addition to the Slovak version, the key contractual documentation of the Bank is also available in the English version.

The communication between the Bank and the client in the performance of the relevant investment service, in particular in respect of giving the orders, shall be made in person at the Bank's place of business, in writing or, if expressly agreed, by telephone, fax or other electronic means. The Bank is entitled to make a record of communication with the client. Specific rules for giving of orders by the client, including the possible other forms of communication, are governed by the relevant contract or business terms and conditions for the provision of investment services.

The Bank is obliged to keep records of all provided investment services, investment activities and ancillary services and performed transactions. The records shall include telephone calls and electronic communications relating to the provision of services under the relevant contract, even if such communication does not result in the conclusion of a transaction or the provision of service related to the client's order. The records shall be provided to the concerned clients upon request and kept for five years.

The Bank provides its clients with regular reports on provided investment services. In the case of investment services where the Bank receives the client's orders, the client is informed of the realized transaction without undue delay after the transaction (or after when the Bank has received the transaction information) and where the client agrees, he/she is informed on the performed transaction in a way allowing the remote access.

In the case of other services, the Bank provides regular statements and reports to the client. The scope, frequency and dates, respectively their possible amendments are based legal regulations and the Bank concludes with the client the specific conditions in the contract according to his/her preferences.

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

Through a wide range of foreign and domestic shares, bonds, securities, collective investment securities and other securities the Bank offers its clients the opportunity to invest money and to trade in securities on domestic and foreign markets.<sup>1</sup>

The nature of the relevant contractual relationship consists in the activity of the Bank that, based on the orders of the client at his/her account (in favour of the client), usually on its behalf (commission agreement) or on behalf of the client (mandate contract), procures the purchase and sale of securities. Therefore, the Bank performs for the client the reception, transmission and the execution of orders.

Trading venues where the Bank provides securities transactions are usually the regulated markets (exchanges, etc.) or the Bank, in particular in the case of foreign securities, transmits the order execution to one of the renowned investment firms (usually from the UniCredit banking group) that has access to the relevant foreign markets. In the case of securities the acquisition of which consists in securing the underwriting, redemption, the issuer itself or the person charged by the issuer or other person (typically in the case of mutual funds the registrar and the transfer agent) is the trading venue of the client's order.

For this type of investment service and the relevant contractual type, the term "brokerage", "procurement" or "brokering" of a financial instrument, etc., is also commonly used at the market.

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If the term "security" is used in this document, it shall mean a documentary security as well as a book-entered security if the nature of the matter does not imply anything else.



The detailed explanation and description of the rules for the execution of the client's orders, including a list of trading venues, are stated in the separate document of the Bank, in the Strategy of the order execution. The Bank is also a professional partner in offering of the treasury derivatives, where it offers to its clients, in particular, various options for securing against market risks, etc.

Terms and Conditions, respectively the contract for derivative and similar products, consist namely in the fact that the client can agree a hedge business with the Bank, where the amount of future performance depends on the development of the underlying asset (exchange rates, rates, etc.). The bank will propose the parameters of the relevant transaction to the client's request and it is purely up to the client to decide whether to close the deal with the Bank. The parties are obliged to pay the relevant amounts due from the negotiated deals. In the case of options, the buyer of option is obligated to pay the price (option premium), otherwise no fees are paid for the respective deals.

The provision of the related investment service is often referred to in the market as, for example, the treasury, dealing or trading action, etc.

The Bank may also provide its clients with an investment advice service based on a special agreement that defines Bank's obligations to actively review, for every manipulation with the financial instrument by the client, its suitability from the point of view of client's knowledge, experience, financial situation, including the ability to bear losses and investment objectives. In case that a potential trade with a financial instrument, or the investment service are not suitable for the client, the Bank will explicitly draw the client's attention to this fact and to such manipulation that does not correspond to the investment profile of the client and could therefore harm him/her.

In addition, the UniCredit Bank is a renowned provider of investment services for safekeeping and managing financial instruments.

A contractual relationship, in addition to the basic activities of physical custody of securities and the exercise of fundamental rights resulting from the ownership of securities (yield collection, etc.), may, pursuant to the agreement with the client and according to the nature of the financial instrument, also include services consisting in particular in keeping of relevant records on financial instruments (property accounts of securities owners, etc.).

UniCredit Bank holds a leading place on the Slovak market as an issuer of its own securities, especially bonds, including mortgage bonds.

The contractual relationship resembles to the acquisition of purchase (in this case, the subscription) of a particular issued security.

In the context of the relevant contractual relationship entered into for the purpose of providing a particular investment service, the client undertakes to pay the remuneration to the Bank for such activity and any related costs. For more information on the remuneration and costs (fees) of the Bank for the provision of investment services the Bank issues its specific document of UniCredit Bank that is the Pricelist of banking services of the UniCredit Bank Czech Republic and Slovakia, a.s., the branch of the foreign bank (hereinafter referred to as the "Price List").

The client is informed by the Bank in advance on the total price of the provided investment service, including all fees, other related costs and other financial liabilities resulting from the provision of an investment service in regard to a specific instruction (trade).

In addition to this overview of individual investment services and basic terms and conditions of the relevant contract, the Bank always allows its clients to make detailed advance notice of the contract wording and other related documents. The Bank specialists are ready to answer any questions regarding the provision of investment services and provide the necessary explanations to ensure that the client is sufficiently certain, before the contract is signed, that the terms of the contract are clear to him/her.

The client is informed on possible conflicts of interests, the received or provided inducements by the Bank in the provision of investment service and the Bank's related policies in a separate document of the Bank, the Policy of Conflicts of Interests. In particular, the Bank has set up procedures to ensure that the client is informed of the risk of potential conflict of interest and inducements based on individual orders (trades) or through an information material on the specific product or through the information on its website. Details of inducements are available on request.

The Amundi Group companies are the Bank's major trading partners in the provision of investment services related to securities of collective investment. These companies manage Amundi reputable collective investment funds and provide the investment service of management of the client's assets if it includes a financial instrument at its discretion within the contractual arrangement. The Bank arranges for clients to obtain financial instruments issued by these funds of collective investment and the investment services of management.

In the market, a client can meet a number of designations for this investment service, especially portfolio management, asset management, etc.

#### Investment profile

According to the legislation regulating the provision of investment services not only in the Slovak Republic but throughout the whole EU, the Bank is obliged, before the investment service is provided, to require certain information from the client so that the financial instruments and services can be provided with the necessary professional care.

A higher protection is provided in the case of investment services of investment advice and portfolio management where the Bank examines the client's expertise and experience in the field of investments, and in particular its financial situation and investment goals.

Transactions with financial instruments or investment services that would not be suitable for the client from this point of view are not recommended by the Bank.

In the case of all other investment services, the Bank examines, under applicable legal regulations, only the client's expertise and investment experience, and if the transactions in question are inappropriate in this point of view, it is obliged to warn the client on this fact, but it is authorised to perform the transaction based on the client's order. The responsibility for the investment decision in question is therefore solely born by the client and not by the investment service provider.

The Bank is obliged to require information from the client regarding his/her needs, characteristics and objectives in order to identify the target market for each financial instrument, i.e. information needed for product governance. If, on the basis of this information, the financial instrument that is the subject of the order is evaluated by the Bank as incompatible with the client's needs, characteristics and objectives, and therefore as being inconsistent with his/her needs, characteristics and objectives, the Bank informs the client, but it is entitled to perform the transaction based on the client's order. The responsibility for the investment decision in question is

therefore solely born by the client and not by the investment service provider. Similarly, this applies even if the client did not provide complete, accurate, true or up-to-date information to the Bank or refused to provide them.

#### Financial instruments and their risks

Financial instruments can be divided based on various perspectives. From the point of view of the client as an investor, the most appropriate approach is to divide them in terms of the risk that the client undergoes by the investment in the financial instruments. In this sense, the financial instruments can be divided into the following groups:

- (i) financial instruments with a partially secured return on the invested amount;
- (ii) financial instruments carrying a risk of up to 100% of the loss of the invested amount;
- (iii) financial instruments carrying the 100% loss of the amount invested and the origin of additional financial liabilities.

#### Ad (i)

Financial instruments with partially secured return on the invested amount are primarily such instruments where the issuer is obliged, under the instrument's maturity date to repay the minimum amount invested, based on the legislation or the emission terms. It is also an instrument where the return of the principal is guaranteed by providing a third party guarantee. Sometimes, the key condition of the return on the invested amount is the requirement to hold these financial instruments until their maturity date.

Typically, these are the financial instruments such as bonds, treasury bills, units of guaranteed mutual funds, etc.

During the period of holding of such a financial instrument, the market price of the instrument may fluctuate, and this fluctuation in the market price does not affect the return on the maturity of the invested amount. Certain issuers or persons providing a guarantee may, by law, participate in a guarantee scheme from which a partial refund is paid when the issuer or the guarantor are unable to meet their obligations. In the case of bankruptcy of issuers or guaranteeing persons not participating in the guarantee schemes, the entire invested amount may be jeopardized.

#### Ad (ii)

Financial instruments bearing the risk of loss (sometimes even up to 100% loss) of the invested amount are instruments where the possibility of maturity of a financial instrument is not used by the issuer or such legal option does not exist. For the investor, the market price of such financial instrument is decisive.

Typically it includes the financial instruments of the type ad (i) not kept until the maturity, units of mutual funds, certificates, shares, purchased options, etc.

During the period of holding of such financial instrument, the market price of the instrument may significantly fluctuate, i.e. at the time of the performance of such financial instrument there is a risk of loss of its part or even the entire invested amount.

#### Ad (iii)

Financial instruments bearing the risk of up to 100% loss of the invested amount and the origin of additional financial liabilities are the instruments where there is a legal obligation on the part of the client to pay additional financial liabilities depending on the development of the market price of the



financial instrument. This category also includes the financial instruments that do not require any initial investment, but from their character the eventual occurrence of future client liabilities results.

Typically, it means the derivative financial instruments and generally any financial instruments purchased through a credit (loan).

These financial instruments are usually related to the so-called leverage effect. The leverage can generally be described as a mechanism where a small percentage change in the price of the underlying asset of a derivative or a financial instrument purchased based on a loan means a multiple-percentage change in profit or loss in relation to the client's own invested assets.

During the period of holding of such financial instrument, the market price of the instrument may significantly fluctuate, thus, at the time of performance of such financial instrument, there is a risk of losing part or even the entire invested amount, and even the additional financial liabilities may arise.

In investment decision-making, the expected return, associated risk and liquidity shall be taken into account. Typically, these variables are mutually inversely proportional, i.e., the higher the expected return is, the higher the risk is and vice versa.

General information on the nature of each type of risk associated with financial instruments:

Market risk - means the risk of a market price change (decrease) in a financial instrument due to one of the market factors (interest rate, exchange rate, price of underlying assets, etc.). Forms of market risk include, for example, currency and interest rate risks.

Currency risk - is one of the forms of market risk, the currency risk increases the overall market risk of a financial instrument as a result of a possible change in the exchange rate. E.g. USD dollar-denominated securities, following a weakening of the USD, record their decline in the market value expressed in EUR without changing the price of these securities in USD anyway. The currency risk is mainly related to financial instruments denominated in non-domestic currencies and currency derivatives.

Interest rate risk - is another form of market risk and reflects the change (decrease) in the market price of a financial instrument depending on the change in interest rates. The interest rate risk is mainly caused due to debt securities and interest rate derivatives transactions. The market price of most of the debt securities is inversely proportional to the movement of interest rates.

Liquidity risk – the liquidity is the ability to promptly the conversions of financial instrument into cash. In the case of low liquidity of a financial instrument, this transaction may be burdened with additional transaction costs, or even cannot even be performed at the required time. The liquidity risk is particularly relevant in the case of poorly traded, structured or individualized financial instruments, and in the case of financial instruments where the buyer undertakes to hold this instrument for at least a certain minimum period.

Issuer's risk - expresses the likelihood that a securities issuer will not be able to meet its obligations arising from these securities (e.g. inability to repay the bonds) or due to erroneous management decisions and poor economic results, there will be a significant decline in the market price of the security (e.g. shares).



Sector risk - is associated with financial instruments whose market price may be affected by the economic situation of a specific industry.

Political risk - is associated with instruments whose market price, transferability and rights of the owner, etc. may be affected by a change in the political situation (e.g. the introduction of foreign exchange restrictions, nationalization, etc.).

The client may manage the above stated risks and assure them in some way, but in the case of some risks, their potential negative impact cannot be fully avoided. The main risk management tools are, in particular, the selection of sound financial instruments, diversification and hedging (reinsurance). The Bank's offer contains primary quality financial instruments in the sense of an optimal ratio of potential return and risk, especially preferred issuers and financial instruments that have so-called investment rating. The risks diversification means the distribution of investment in a number of financial instruments whose potential return and associated risks are mutually independent as far as possible (e.g. mitigating of the currency risk by investing in instruments denominated in different currencies). The reinsurance or hedging is an individual, sophisticated, usually derivative structure, where the loss of one asset corresponds to the gain from the holding of another asset (financial instrument).

The client receives individually detailed information about the particular financial instruments provided by the Bank (including information on the nature and characteristics of the financial instrument, the risks associated with the financial instrument, the information on any leverage effect and the risk of loss of the whole investment, the risks of each component in the case of a complex instrument and their description, the interaction of these components and their impact on the increased risks, price volatility of the financial instrument, and any limitations on market access, customer commitments associated with a financial instrument or incurred in relation to the management of such a financial instrument, requirements relating to credit or similar trading, and the existence and terms of any lien or other similar rights that the Bank has or may have in relation to the client's financial instruments or funds, or on possible right of setting-off, credit or other similar right of the depositary to the financial instruments or cash of the client and third party liability, including the information on the guarantor, etc.). For some financial instruments the Bank issues the so-called product info-papers that contain the above mentioned information.

#### Protection of client assets

The Bank is obliged to comply with the following rules for holding the client's financial instruments or funds, and in particular, it does the following:

- (i) it maintains records, in particular in the context of accounting records, which consistently ensure the separation of assets held for one client from assets held for other clients and from their own assets;
- (ii) it maintains and performs entries into the prescribed financial instruments register (separate and follow-up registration);
- (iii) it performs regular reconciliations of accounting and other mandatory records regarding the client's financial instruments and funds;
- (iv) it provides the client with regular reports from the relevant registers;
- (v) The Bank is, in compliance with its statutory obligation, the participant in the following compensation schemes:
  - Investment firms Guarantee Fund
  - Deposit Insurance Fund.



The assets of all clients of UniCredit Bank Czech Republic and Slovakia, a.s., a branch of a foreign bank, is protected in accordance with the conditions of Act no. 256/2004 Coll. on Capital Market business (hereinafter referred to as the "Act on Capital Market Business").

The Bank, being the investment firm, participates in the compensation scheme under Section 128 et seq. of the Act on Capital Market business which is secured by the Investment firms Guarantee Fund (GFOCP), to which it contributes in accordance with § 129 of the Act on Capital Market business.

A detailed GFOCP instructions, information on the terms and conditions of reimbursement, the calculation of the GFOCP compensation amount, non-GFOCP compensation, and other details on the guarantee system are contained in the document named Information on warranty system of Investment firms Guarantee Fund.

Information on the applicable refund scheme and eligibility rules is available on the Bank web site, in the section of MiFID/Information Obligation:

<https://www.unicreditbank.sk/sk/ostatne/mifid.html>.

As an investment firm, the Bank is not a direct participant in foreign exchange reimbursement schemes, however, on the basis of contractual relationships, it always uses the investment services of its partner banks that are participants in the reimbursement schemes under the legislation of the relevant markets.

The financial instruments or funds, entrusted by the client, including those that may be available to the client in the context of the provision of an investment service, may and will usually be managed by a third party that the Bank uses to perform its services.

These are the persons that are necessary for the proper execution of the investment service, in particular in the sense of ensuring of the following actions:

- (i) securing and settlement of a transaction with financial instruments (i.e., a typical transfer of financial instruments and funds)
- (ii) keeping of relevant records of financial instruments, securities;
- (iii) safekeeping of financial instruments (i.e. primarily in terms of physical entrusting of a financial instrument);
- (iv) administration (i.e., in particular, in terms of entitlement to exercise the rights from the relevant financial instrument, but not necessarily physical);
- (v) keeping of client funds accounts (hereinafter referred to as "Custodians").

Typical examples of such custodians are central securities depositories, banks keeping client accounts of an investment service provider, deposit banks, or settlement centres or clearing members of financial instruments markets.

In the case of use of custodians' services, financial instruments or funds of clients are held in their administration on behalf of the Bank (possibly also on behalf of the client) separately from the assets of the Bank and assets held by the Custodian. The Bank and the Custodian are responsible for legal action and, in particular, for the observance of the Custodian's obligations in accordance with applicable law and negotiated contractual relationships. In any case, the Bank shall be liable to its clients for the repayment of all financial instruments and funds in custody in case of the custodian bankruptcy. In this point of view the Bank shall namely maintain appropriate records,



carry out regular reconciliations and is obliged to participate in contributions to the relevant client compensation schemes.

The Bank hereby expressly informs the client that the legislation to which the Custodian is subject may allow and usually allow the entrusted financial instruments and funds to be recorded in a collective (aggregate) account. This case involves increased risks and claims, in particular with regard to the due and consistent evidence and unambiguous evidence of the assets and ownership of each particular client to the aggregated financial instruments or funds. In this sense, the bank is required by law to keep follow-up records on behalf of a particular client.

At least once a quarter, the Bank is obliged to send to the client an extract from its mandatorily kept records of financial instruments and client funds held by the Bank (unless they are the subject of a bank statement of monetary accounts in the Bank). The client is entitled to request any explanations or corrections in the records.

The Bank also does not use custodian services where it would be possible for the client's financial instruments to be identified not separately from the financial instruments of that Custodian or the Bank.

The Bank primarily uses the services of those custodians who are subject to EU regulatory and legal requirements that guarantee high standards of protection for the holding of financial instruments and clients' funds. The Bank, to the extent necessary for the execution of investment services for its clients, also uses custodians subject to different regulation and legislation than those which protect the holding of financial instruments and funds of clients of investment service providers in the European Union. Specifically this means that the rights of the client in relation to the financial instruments and financial instruments that are entrusted may differ, in particular, according to the conditions of the separate registration, the deduction of the ownership titles, the functioning of the compensation schemes and so on. However, in such case the Bank will always use these Custodians only subject to the following conditions:

- (i) the Custodian operates in a state where there is special regulation for the performance of its activities and, in particular, strict financial market supervision, similar to the standards in force in the European Union (in particular, for example, the US);
- (ii) the custodian acts as a local custodian branch of a European Union-based custodian, and it is clear that custodian standards of the European Union are applied throughout its network;
- (iii) the custodian operates in the country where the UniCredit Group is represented, and there is an overview on the local regulation and its acceptability in terms of standards of protection of the holding of financial instruments and client funds.

In accordance with legal regulations it is possible for the Bank to exercise, in respect to entrusted or held financial instruments by the client, the right to advance, retention, reinsurance, final settlement or other similar right, in particular under the legislation governing the institute of financial security. The specific terms and conditions for the exercise of these rights are always governed by the relevant contract with regard to the concerned investment service. Certain similar rights in accordance with legal regulations and specific contractual provisions may also be exercised by custodians, in particular in the sense of the lien or the right to set off, which of course does not in any way affect the obligation of the Bank to pass to the client any financial or financial instruments entrusted or held by him/her regardless to the possible exercise of such custodian rights vis-à-vis the Bank to the prejudice to the client's assets, taking into account any legal claims of the Bank itself against the client.



The Bank does not use financial instruments that are part of the client's assets for the purpose of trading in securities financing, trading for own account or for the account of another client.

#### Other important information

In addition to the above information, the Bank warns the client on several other important information documents relating to the provision of investment services by the Bank.

Pursuant to the Act on securities the Bank is obliged to notify each client to whom the investment service should be provided on the classification in one of three categories. As part of this process, the client will receive appropriate **instructions on the categorization** indicating differences in treatment and the principles of different levels of protection between nonprofessional clients, professional clients and eligible counterparties.

The client should pay maximum attention to studying **contractual documentation**. The Bank always provides clients with sufficient time for proper study, and is namely prepared to answer any questions so that the client properly understand all provisions.

The Bank, including the international financial group in which it is a member, places the utmost emphasis on protecting the interests of its clients. For this purpose, specific rules are set out by the Bank within the document **Policy of conflict of interests**.

If there were exceptional cases where the client has the impression that his investment services are not provided with due diligence, the Bank has created and refers the client to its **complaints and claims rules**. They ensure that the client is always fully satisfied and the Bank has feedback to continually improve its services.

If UniCredit Bank performs instructions on behalf of the client regarding the financial instruments, the client, in the today's diverse global financial world, may not be certain how the Bank will secure the best possible result for his client to execute his orders. For these purposes, the Bank publishes a separate document, the **Strategy of orders execution**. Here, the client can learn all the necessary information and conditions for the implementation of the investment guidelines and finds the list of trading venues used by the Bank.

All prices of the investment services provided by UniCredit Bank Czech Republic and Slovakia, a.s., the branch of the foreign bank, including related costs and fees, are stated in the Bank's individual **Price Lists**.

In Bratislava on 3<sup>rd</sup> January 2018

Warning: This document is a basic document in terms of the fulfilment of the obligation to inform by the investment service provider pursuant to § 73d of the Act on securities and the article 47 of Delegated regulation of the Commission (EU) 2017/565. Further specific information is provided in the Bank's specific documents, which include, in particular, the Strategy for orders execution, Policy of conflict of interests, information on the Investment firms Guarantee Fund, Complaint rules, Pricelist, Individual financial instruments data sheets, Key Information Document, etc.