



SBERBANK

**Business Terms
and Conditions
for Investment
Services**

Effective as of
1 May 2016

BUSINESS TERMS AND CONDITIONS FOR INVESTMENT SERVICES

Part I/ Introduction

- (1) The following Business Terms and Conditions for Investment Services ("Investment Terms and Conditions") stipulate the binding rules for relationships between Sberbank CZ, a.s., Co. Reg. No.: 25083325, registered in the Commercial Register with the Municipal Court in Prague, File No.: B 4353 ("Bank"), and the Bank's clients ("Client") arising from the activities performed by the Bank in the capacity of a securities broker and other investment-related services.
- (2) The Client has properly understood the Agreement and the Investment Terms and Conditions and in particular explicitly accepts the arrangements set forth herein and marked **bold**.

Part II/ Definitions

- (1) For the purposes hereof, the following terms have the following meaning:
 - a) Agreement – Brokerage Agreement, Administration Agreement, or Master Agreement for Concluding Trades in Investment Instruments entered into by and between the Bank and the Client;
 - b) Bank – Sberbank CZ, a.s., with its registered office at 158 00 U Trezorky 921/2, Praha 5 - Jinonice, Co. Reg. No.: 25083325 (see Part III below);
 - c) Brokerage Agreement – an agreement for the purchase or sale of securities entered into by and between the Bank and the Client;
 - d) Capital Market Undertakings Act – Act No. 256/2004 Sb., governing the undertaking in the capital market, as amended;
 - e) Client – a private individual or legal entity having entered into the Agreement with the Bank; and
 - f) Investment Instruments Register – a separate register of investment instruments or a register linked to the central register of securities pursuant to Decree of Securities Commission No. 58/2006 Sb., governing the register of investment instruments and registers linked to the central register of securities, as amended.
- (2) The terms not defined herein or in the relevant provisions hereof have a meaning usual in business relations.

Part III/ General Information

Clause III.1/ Bank

- (1) Basic Information:

Sberbank CZ, a.s.
Registered Office: U Trezorky 921/2, 158 00 Praha 5 - Jinonice
Co. Reg. No.: 25083325
Registered in the Commercial Register with the Municipal Court in Prague, File No. B 4353
- (2) Contact Details:

Infoline: 800 133 444
Email: mail@sberbankcz.cz
Website: <http://www.sberbank.cz>
Bank Code: 6800

SWIFT: VBOECZ2X

Reuters: SBCZ

- (3) Banking Licence:

The Bank is a holder of a banking licence issued pursuant to Act No. 21/1992 Sb., governing the banks, as amended. This licence was issued by the Czech National Bank, with its registered office at Na Příkopě 28, 115 03 Praha 1, on 20 October 1993, under reference No. 2004/1742/520, and includes, among others, authorisation to provide investment services pursuant to the Capital Market Undertakings Act.
- (4) The Czech National Bank is the supervisory authority for the provision of investment services.
- (5) Contact: Czech National Bank, Na Příkopě 28, 115 03 Praha 1, tel.: 224 411 111, www.cnb.cz, green line (particularly for potential complaints): 800 160 170.
- (6) General Information:

The ultimate parent company of the Bank is Sberbank of Russia headquartered in Russia.

The Bank:

 - a) provides loans and guarantees in CZK and foreign currencies;
 - b) accepts deposits in CZK and foreign currencies;
 - c) maintains current and time deposit accounts in CZK and foreign currencies;
 - d) provides standard banking services through a network of branches and agencies;
 - e) executes transactions in foreign currencies in the interbank money market;
 - f) finances foreign trade and provides related banking services; and
 - g) trades in securities.

Clause III.2/ Communication

- (1) The Bank and the Client communicate with one another in Czech or English, whether orally or in writing.
- (2) The methods of communication, in particular as regards the orders for individual investment services, are regulated in the respective Agreement.

Clause III.3/ Conflict of Interest

- (1) The conflicts of interest (if any) are managed with reference to the rules drafted by the provider of investment services in accordance with law. These rules define in particular:
 - a) efficient ways of handling information that might give rise to a conflict of interest;
 - b) independent internal management and control system;
 - c) remuneration system designed to avoid a conflict of interest; and
 - d) organisational and personnel structure designed to avoid a conflict of interests.
- (2) These rules are regulated in the document "Client Protection against Conflict of Interest".

BUSINESS TERMS AND CONDITIONS FOR INVESTMENT SERVICES

Part IV/ Contractual Relationship

Clause IV.1/ General Terms and Conditions

- (1) In signing the Agreement, the Client confirms that no legal regulation or contractual or other commitment or obligation has been breached by entering into the Agreement and that no other approvals by any of the Client's bodies or other entity are necessary for entering into the Agreement.
- (2) The legal capacity of a private individual to make legal acts may not be limited. If so requested by the Bank, private individuals prove their identity when dealing with the Bank against their identification card; legal entities submit documentation proving their existence; persons representing a legal entity prove their authorisation to act on behalf of the same. The Bank may request that the documents specified herein be submitted in an original or officially verified copy executed in the Czech language or officially translated into the Czech language.
- (3) In accordance with the Capital Market Undertakings Act, the Clients are classified by the Bank as: retail clients, professional clients, or eligible counterparties; of which the Clients are informed by the Bank in the document "Client Categorisation" received by the Client from the Bank against signature. If so agreed in writing by and between the Bank and the Client, the Client's classification may be altered.

Clause IV.2/ Securities Administration

- (1) The Client's securities are administered and held by the Bank in the Client's account; unless the Bank and Client agree otherwise, the Client is thus requested to enter into the Brokerage Agreement and a related agreement for the administration of securities.
- (2) The Bank is not obligated to accept orders under the Brokerage Agreement unless the terms and conditions stipulated in Paragraph 1 hereof are met.

Part V/ Rights and Responsibilities

Clause V.1/ Bank's Rights and Responsibilities

- (1) In performing the Agreement, the Bank must proceed with professional care that, in particular, consists in qualified, honest and fair conduct in the best interests of the Clients and proper functioning of the market.
- (2) The Bank must demonstrably inform the Client about potential risks related to the requested service or order, hedging options related to such risks and other circumstances stipulated by law (see Part XII hereof).
- (3) The Banks informs the Client about the performance of the service provided by the Bank; and does so in the manner and time limits stipulated in the Capital Market Undertakings Act and implementing regulations.
- (4) The Bank does not provide tax consultancy and assumes no liability for tax consequences for the Client in excess of the Bank's statutory duties.

Clause V.2/ Registration of Investment Instruments

- (1) In accordance with the Capital Market Undertakings Act, the Bank – acting in the capacity of a securities broker – registers the Client's assets in asset accounts. The domestic investment instruments are registered in the Bank's

account opened with the Central Securities Depository Prague (or in the Investment Instruments Register) with a register linked to the Central Securities Depository Prague (or other Investment Instruments Register). The foreign investment instruments are registered by Volksbank Wien AG; the share certificates, however, are registered for the Bank by an investment company under a distribution agreement entered into by and between the Bank and the investment company in question. The Bank's internal register of the foreign investment instruments and share certificates is maintained as a register linked to a central register of securities. The Bank registers the investment instruments in the owners' accounts.

Clause V.3/ Client's Investment Instruments and Funds

- (1) In fulfilling its obligation to maintain the Client's investment instruments or funds in compliance with the following rules, the Bank proceeds as follows:
 - a) keeps records, in particular accounting records, consistently distinguishing the assets maintained for one Client from the assets maintained for other Clients or from the Bank's own assets;
 - b) keeps and makes records in the Investment Instruments Register as stipulated by law in accordance with the trading day schedule stated below in Part VII/ Paragraph 4;
 - c) regularly reconciles the accounting and other mandatory records maintained with respect to the Client's financial instruments and funds;
 - d) regularly issues to the Client a statement of records in question; and
 - e) participates in accordance with its legal obligations in the following systems of compensation:
 - ea) Securities Traders Guarantee Fund (see Part XII/ Clause XII.3 hereof); and
 - eb) Financial Market Guarantee System (Deposit Insurance Fund) (see Part XII/ Clause XII.4 hereof).

Clause V.4/ Client's Rights and Responsibilities

- (1) The Client must immediately inform the Bank about any changes in the disclosed identification details, changed signature specimens applicable to the current accounts opened with the Bank, new community property of spouses or changes in any data related to the Client recorded in the Investment Instruments Register. Clients failing to inform the Bank about the changes are liable for damage incurred by the Bank with respect to such failure.
- (2) In an appendix to the Agreement, the Client may authorise a third party to act under the Agreement on Client's behalf.
- (3) If the character of the legal act that the Bank is to make under the Client's order so requires, the Client must provide the Bank with the necessary power of attorney.

Clause V.5/ Fees

- (1) The services provided by the Bank under the Agreement are subject to the fees and costs stipulated in the List of Fees valid on the day the paid service is provided, or to the

BUSINESS TERMS AND CONDITIONS FOR INVESTMENT SERVICES

fees and costs agreed in the respective Agreement. The fees are debited from the current account specified in the order upon settlement of a trade in question. The current List of Fees is available on the Bank's website.

Clause V.6/ Claims and Complaints

- (1) The Client may complaint about the fulfilment of the Bank's contractual obligations under the Agreement. The process of filing and handling the complaints is governed by the Bank's Claims Code in force.

Part VI/ Disclosed Information

- (1) Pursuant to the Capital Market Undertakings Act, and based on the kind and extent of investment services requested by the Client, the Bank must obtain from the Client information regarding the Client's expertise and experience as regards the investments, financial situation and intentions as to what should be achieved by means of the requested service.
- (2) In this respect, the Bank requests the Client to complete the investment questionnaire "Client Investment Profile" whereby the Client is not obligated to answer the questions; if the Client answers the question, the Client does so entirely at the Client's discretion. Nonetheless, the Client hereby acknowledges that certain services may be provided only after the requested information is disclosed. Information disclosed by the Client in this respect is considered confidential.

Part VII/ Trades

- (1) Trades executed on execution venues are regulated by the terms and conditions stipulated in the Agreement as well as by the terms, conditions and rules applicable to the execution venue in question. In case of temporary discrepancies between the Investment Terms and Conditions and the terms, conditions and rules applicable to the execution venues, the latter prevail.
- (2) **The Bank accepts the orders given in relation to the investment instruments during business days from 8.30 pm until 5.00 pm (CET or CEST). The stated period for accepting the orders poses a risk for the Clients trading in foreign markets operating in other time zones as these will be unable to respond to the developments in the price of the investment instruments outside the established hours.**
- (3) **The Bank may process the orders to execute a trade with respect to foreign securities through a third party abroad. In the event of a national holiday in a third party's country, trading on the execution venues (foreign markets) cannot be guaranteed. This circumstance poses an increased risk for investors.**
- (4) Entries are made in the Investment Instruments Register and the trading day is closed according to the following time schedule:
 - a) Prague Stock Exchange: T+1 until 5.00 pm;
 - b) EU Regulated Markets (other than Germany): T+2 until 5.00 pm;
 - c) German Regulated Markets: T+1 until 5.00 pm;
 - d) U.S. Regulated Markets: T+2 until 5.00 pm;

- e) Other Regulated Markets s: T+2 until 5.00 pm;
- f) Mutual Funds (other than traded on regulated markets): T+2 until 5.00 pm; and
- g) Custody Transfers: depending on the transfer parameters, until 5.00 pm of the settlement date.

Part VIII/ Order

Clause VIII.1/ Form

- (1) The orders and their form are directly regulated in the Agreement or herein. When executing the orders, the Bank proceeds primarily in compliance with the rules stipulated in the separate document "Rules for Best Execution of Client Orders".

Clause VIII.2/ Securities Orders

- (1) Throughout the term of the Brokerage Agreement, the Client may order the Bank to purchase or sell the investment instruments. Unless otherwise agreed between the parties, the Client's order must be given in writing on the form prescribed by the Bank and submitted by the Client either in person to a staff member authorised by the Bank or by telephone, depending on the method agreed in the Brokerage Agreement entered into by and between the Bank and the Client. In ordering the Bank, the Client authorises the Bank to make any legal acts related to the execution of the order in question and simultaneously requests that the purchased securities become subject of the Administration Agreement entered into by and between the Bank and the Client.
- (2) The Client acknowledges and agrees that the Bank will record and archive the orders given by the Client by means of a telecommunication device in order to have sufficient evidence as to the contents of the order in question. If the telecommunication device is out of order, the Bank will accept the Client's order otherwise. Once technically feasible, the Client must subsequently confirm the order by telephone in accordance with the Agreement.
- (3) The sale of documentary securities is governed by Part VIII/ Clause VIII. 8 hereof. The investment instruments to be sold must be recorded by the Bank in the respective Investment Instruments Register prior to their sale. The investment instruments to be sold not registered in the respective investment instruments Register must first be transferred and registered in the respective Investment Instruments Register prior to their sale.

Clause VIII.3/ / Essentials

- (1) Unless stipulated herein otherwise, the Client's order must include at least:
 - a) Client's identification details – corporate name / full name and, if necessary, company identification number or personal number;
 - b) agreed password (if so required for orders given by telephone);
 - c) account to be used to settle the trade;
 - d) specification as to whether the Bank is to purchase or sell the security in question;
 - e) ISIN or other unique identification of the security in question;

BUSINESS TERMS AND CONDITIONS FOR INVESTMENT SERVICES

- f) volume of the securities to be purchased or sold;
 - g) price limit;
 - h) start and expiry date; and
 - i) specification as to what execution venue is to be used to execute the order.
- (2) The volume of the securities to be purchased or sold may be specified in terms of a number of the individual securities or a volume limit. In case of bonds, the volume must be established as an aggregate nominal value of the securities to be purchased or sold.
- (3) In the order, the Client may specify the lowest or highest price for which the investment instruments are to be sold or purchased. The price limit must correspond to the tick size for the respective execution venue. In case of bonds, the price limit must be stated as a percentage of the nominal value of the bond. In case of Client's failure to specify the price limit, the Bank proceeds in accordance with the Rules for Best Execution of Client Orders.
- (4) In case of Client's failure to specify the execution venue to be used to execute the order, the Bank proceeds in accordance with the Rules for Best Execution of Client Orders.
- (5) In case of Client's failure to specify the start and expiry date, the order is deemed valid once accepted by the Bank. In case of Client's failure to specify the expiry date, the order will be executed in the course of one trading day from the day the order is transmitted to the Bank. A trading day means a business day of the respective execution venue. Information about the validity of the order must comply with the terms and conditions of the respective execution venue.
- (6) In case of Client's failure to specify whether the order may be executed in part, the Client agrees that the order may be executed in part. The Client further acknowledges that the order will at all times be executed in part if "all or nothing" execution of orders is not allowed on the respective execution venues.**

Clause VIII.4/ Changed or Cancelled Orders

- (1) Orders submitted to the Bank may be changed or cancelled by the Client. The orders, however, can be changed or cancelled only if unambiguously identified by the Client and if the orders in question can be changed or cancelled.

Clause VIII.5/ Sufficient Amount

- (1) When ordering the Bank to purchase the securities, the Client might be requested by the Bank to deposit a sufficient amount in the agreed account in the amount corresponding to the volume of the submitted order (i.e. price limit x volume of the securities to be purchased + fee stipulated in the List of Fees or the last price on the respective execution venue x coefficient of 1.2 x volume of the securities to be purchased + fee stipulated in the List of Fees). The Client agrees that these funds may be blocked by the Bank and as such cannot be transacted with by the Client until the trade in question is settled (or as long as the order is binding).

Clause VIII.6/ Rejected Orders

- (1) The Client's order must meet the requisite elements stipulated in the Agreement and in these Investment**

Terms and Conditions, must be entirely unambiguous and must be submitted to the Bank in the agreed manner, otherwise may be rejected by the Bank and not executed. The Bank is not liable for damage resulting from non-executed imprecise, incomplete or delayed orders; and neither for damage arising from an inaccurately or incompletely completed orders or altered or counterfeit documents, provided, that the Bank has proceeded with professional care. The Bank is not obligated to execute the order unless the Administration Agreement is entered into by and between the Bank and the Client.

- (2) The Bank may reject a telephone order without stating a reason; yet, the Bank must inform the Client that the telephone order was rejected.**
- (3) The Bank likewise will not execute the order if, despite the Client's explanation, the Bank reasonably suspects that the market may be manipulated if the service is provided as ordered. Furthermore, the Bank does not have to execute the order, whether in full or in part, if a conflict of interest may arise between the Bank and the Client or in between the Clients. If a conflict of interest arises between the Bank and the Client, the Bank will always give preference to the Client's interests over those of its own. If a conflict of interest arises in between the Clients, the Bank ensures fair treatment of all Clients. Is so requested, the Bank further informs the Client as to the manner the conflict of interest was resolved.**

Clause VIII.7/ Confirmation

- (1) The Bank informs the Client about the concluded trades in the manner and periods stipulated in the Capital Market Undertakings Act and implementing regulations.

Clause VIII.8/ Purchase/Sale of Documentary Securities

- (1) Any documentary security ordered by the Client to be sold by the Bank must be submitted by the Client to the Bank undamaged together with all requisite elements, talon and coupon sheet; and cannot be transacted with by the Client throughout the binding period of the sale order given by the Client to the Bank with respect thereto.
- (2) The costs for depositing / collecting the documentary securities into / from the stock exchange depot are borne by the Client.
- (3) The Client trading in documentary securities agrees that these securities may be deposited in custody with third parties (see Part XII/ Clause XII. 5 hereof).

Part IX/ Settlement

- (1) The trades are settled in accordance with the rules of the respective execution venue.
- (2) The sell trades in the securities are settled on the day of settlement of the respective execution venue. The settlement amount less the Bank's fees is transferred to the agreed account of the Client specified in the order whereby the payments are at all times made in the currency of the Client's account in question. If the account currency is other than the currency of the trade to be settled, the Bank will convert the amount using the Bank's bid-ask exchange rate valid on the day the trade has been concluded. Trades

BUSINESS TERMS AND CONDITIONS FOR INVESTMENT SERVICES

settled by transfer to the Client's account opened with another bank are completed upon crediting the Client's account with a time delay corresponding to the standard time delay for noncash transfers of funds.

- (3) The purchase trades in the securities are settled on the day of settlement of the respective execution venue with the amount of settlement being debited from the Client's current account opened with the Bank specified in the order. If the account currency is other than the currency of the trade to be settled, the Bank will convert the amount using the Bank's bid-ask exchange rate valid on the day the trade has been concluded.
- (4) If, on the day of settlement, there are insufficient funds in the agreed account to cover the purchase of the securities, the Bank may debit the required amount from the current account in accordance with the General Business Terms and Conditions whereby the Client must pay debit interest on the outstanding amount as established for unauthorised overdraft on current accounts. The penalty interest rate announced by the Bank for unauthorised overdraft on current accounts is stipulated in List of Fees.
- (5) In case of delayed settlement of trades in the securities, the Bank takes necessary measures in order to accommodate the Client. The Bank assumes no liability for delays caused by a third party or for exchange loss. Any suspended trades (i.e. trades not properly settled within the standard deadline) are reported to the Client by the Bank together with information about the respective status and reasons. The Client is fully liable for the fact that unblocked securities designated for sale are recorded in the Client's account in the Securities Register. The Client is fully liable for any damage incurred due to incorrect specification of these accounts.

Part X/ Administration of Securities

- (1) Under the Administration Agreement, the Bank – acting in the capacity of the securities administrator – must, even if not so ordered by the Client, make the following legal acts necessary to exercise and maintain the Client's rights pertaining to the administered securities in question:
 - a) receive the profits from the securities (interest and dividends) and other Client's claims arising by virtue of the Client's ownership of the securities and credit the same to the agreed Client's account;
 - b) exercise the exchange rights pertaining to the securities (receive in custody the exchanged or split securities, dividends paid out in the form of shares, etc.); and
 - c) inform the Client about takeover bids, other bids or reorganisation of the security issuer's capital, pre-emption rights and subscription rights of which the Bank may learn.Any other acts may be made only if specifically agreed in writing by and between the Client and the Bank.
- (2) Any fees to be made to the Bank under the Administration Agreement as well as any proceeds from the securities and other claims of the Client arising by virtue of the Client's ownership of the securities will be debited from / credited to the agreed Client's account opened with the Bank. In case of multiple current accounts, the payments will be debited from / credited to any of the current accounts maintained in the currency of the amount to be debited / credited. If

none of the Client's current accounts is maintained in such currency, the Bank will convert the amount using the Bank's bid-ask exchange rate valid on the day the payment is debited / credited.

Part XI/ Termination of Agreement, New Scope of Investment Instruments

Clause XI.1/ Agreements Terminated by Clients

- (1) If terminating the Agreement entered into with the Bank, the Client must order the Bank to sell the Client's investment instruments or to transfer the Client's portfolio of investment instruments to another securities broker and do so within the period of notice. The Bank sells / transfers the investment instruments once it is ordered by the Client to do so.
- (2) If terminating the Agreement otherwise, the Client must proceed as stipulated in paragraph 1 above and do so within one month after the Agreement is terminated.

Clause XI.2/ Agreements Terminated by Bank, New Scope of Investment Instruments

- (1) If the Agreement is terminated by the Bank, the Client will be requested by the Bank to order the Bank to proceed as stipulated above in Clause XI.1/ Paragraph 1.
- (2) The Clients will be likewise requested to order the Bank to proceed also if the Bank stops offering any of the Investment Instruments whereby the Clients will be allowed to order the Bank to sell / transfer their investment instruments within four weeks after they have been informed about the changed offer of the investment instruments.

Clause XI.3/ Common Provisions

- (1) Any orders to purchase the investment instruments not yet accommodated or accommodated only in part as at the day the Agreement is terminated cease to exist on the day the Bank sends the notice of withdrawal to the Client whereby the orders accommodated only in part cease to exist within the extent not yet accommodated.
- (2) The Bank will stop executing the Client's orders to purchase the investment instruments on the day the Bank sends the notice of withdrawal to the Client and on the days thereafter.
- (3) If not ordered by the Client to sell or transfer the Client's investment instruments at least one day before the period of notice expires, the Bank will sell the entire set of the investment instruments registered in the Client's account together with the Investment Instruments of other Clients failing to order the Bank. In doing so, the Bank will place a bulk order in the securities market and have those investment instruments sold at the current market price in accordance with the Rules for Best Execution of Client Orders.
- (4) Any orders submitted to the Bank after the deadline stipulated for submitting the orders will not be accepted and hence not executed by the Bank.
- (5) Any proceeds from the sale of such investment instruments will be converted into CZK using the Bank's bid-ask exchange rate valid on the day the trade is settled and transferred to the Client's account opened with the Bank / account opened with another domestic bank specified by

BUSINESS TERMS AND CONDITIONS FOR INVESTMENT SERVICES

the Client. Any Clients failing to specify the account / not having an account opened with the Bank will have the proceeds credited to the Bank's internal account with no interest accrued. The Client may request the Bank to disburse the amount credited and do so by way of submitting a written request bearing the Client's officially verified signature / request completed in the presence of Bank's staff.

Part XII/ Duty to Inform

Clause XII.1/ Risks

- (1) Information about potential risks associated with the investment instruments is contained in the document "Description of Investment Instruments and Notification of Risks".

Clause XII.2/ Incentives (Material Inducements)

- (1) Information about incentives that the Bank may accept from third parties for providing investment services in the best interest of all concerned parties is contained in the document "Incentives".

Clause XII.3/ Securities Traders Guarantee Fund and Compensations

- (1) The Bank participates in the guarantee scheme provided by the Securities Traders Guarantee Fund ("Fund"). Under the terms and conditions stipulated in the Capital Market Undertakings Act, the Fund compensates clients of security brokers for assets that these security brokers are unable to pay out to their clients due to their financial situation.
- (2) The Fund is a legal entity registered in the Commercial Register as a guarantee scheme compensating the clients of security brokers unable to fulfil obligations to their clients.
- (3) The Fund is not a state fund and as such it is not subject to the insurance regulations. The Fund is governed by a five-member Board of Trustees appointed and removed by the Minister of Finance of the Czech Republic.
- (4) The Clients will be compensated by the Fund against a written notification issued by the Czech National Bank with respect to:
 - a) The Bank's inability, for reasons of the Bank's financial situation, to fulfil its statutory and contractual obligations to its Clients whereby the Bank is unlikely to fulfil its statutory and contractual obligations to its Clients within one year.
 - b) The bankruptcy declared on the Bank's property or another court decision in result of which the Bank's Clients cannot effectively demand that the Bank release their assets.
- (5) After being so notified, the Fund will publish in an appropriate manner together with the Czech National Bank:
 - a) the Bank's inability to fulfil its obligations;
 - b) the place, manner and period for claiming compensation and the initiation of compensation payments from the Fund; and
 - c) any other circumstances relating to the claims.
- (6) The Clients are compensated by the Fund for the assets that could not be released for reasons directly related to

the Bank's financial situation. The amount thereof is calculated as stipulated in the Capital Market Undertakings Act.

- (7) The Clients are compensated in CZK up to 90% of their assets that could not be released for reasons directly related to the Bank's financial situation, however, up to a maximum of EUR 20,000 (equivalent) per one Client.
- (8) The compensation is paid within three months after the registered claim is verified and the amount of such compensation calculated whereby this time limit may be extended by the Czech National Bank as per the Fund's request, however, no more than for three months.
- (9) The Client's right to receive compensation from the Fund lapses five years after the Client's claim for compensation from the Fund becomes due.
- (10) Compensations paid from the Fund are in no way designed to cover any exchange loss or issuer's failure to meet its duties and obligations (for example, repayment of bonds).
- (11) If so requested, the Bank provides the Client with additional information concerning the Fund.

Clause XII.4/ Deposit Insurance Fund

- (1) Any Client's claims from funds deposited in a current or other account opened with the Bank in connection with the provision of investment services are insured under Act No. 21/1992 Sb., governing the banks, as amended, and under the deposit claims insurance scheme organised by the Financial Market Guarantee System (Deposit Insurance Fund). Additional information about the insurance scheme is also available in the General Business Terms and Conditions and www.sberbank.cz/en/pojisteni-vkladu. If so requested, the Bank provides the Client with additional information concerning the Deposit Insurance Fund.

Clause XII.5/ Protection of Clients' Assets

- (1) Client's funds at the Bank are held separately from the funds of other Clients and from the Bank's own funds.
- (2) The Investment Instruments arranged by the Client and the Client's claims against the Bank from related deposits are protected under the Capital Market Undertakings Act whereby the latter are further protected also under Act No. 21/1992 Sb., governing the banks, as amended.
- (3) The Bank maintains the financial instruments received from individual Clients separately from its own assets. At the same time, the Bank maintains the Client's investment instruments in individual asset accounts.
- (4) The Client's Investment Instruments may also be maintained on behalf of the Bank by a third party. When selecting a third party and entering into a custody and administration agreement in respect of these investment instruments, the Bank proceeds with due professional care. The Bank takes into account and regularly checks the qualification and credibility of third parties in the market as well as the provisions of generally binding legal regulations and market practices related thereto that could have a negative impact on the Clients' rights pertaining to the investment instruments.
- (5) In order to protect the Clients' rights pertaining to the investment instruments, the Client's Investment Instruments are maintained separately from the investment instruments of such third party as well as those of the Bank.

BUSINESS TERMS AND CONDITIONS FOR INVESTMENT SERVICES

- (6) The Client's Investment Instruments maintained on behalf of the Bank at the Central Securities Depository Prague (or any other Investment Instruments Register) or Volksbank Wien AG (see Part V / Clause V.5 above) are not held collectively in collective accounts. Volksbank Wien AG, however, may maintain foreign securities through other foreign securities administrators or depositories. The Investment Instruments may be maintained at such parties in collective client accounts (nominee accounts, omnibus accounts). The Client may always receive the share of the Investment Instruments maintained abroad in a collective account that corresponds to the number of the investment instruments held by the Bank for the Client. Since relevant foreign law and business customs apply to the Investment Instruments maintained abroad, the Client's rights pertaining to the Investment Instruments maintained abroad may vary.
- (7) Under foreign laws, the investors are usually protected against bankruptcy of a securities administrator or depository whereby the investment instruments held by the securities administrator or depository do not become part of the assets in bankruptcy. However, cases in which such protection is not provided cannot be eliminated and the investment instruments held indirectly in a collective account may become part of the assets of the bankrupt securities administrator or depository.
- (8) The Bank is liable to the Client for the acts/omissions of the third party in accordance with the generally binding legal regulations. The Client is entitled to compensation from the Guarantee Fund for inaccessible assets protected under the Capital Market Undertakings Act in the amount and subject to the terms and conditions stipulated in the Capital Market Undertakings Act (see Clause XII.3 above).
- (9) The Bank enters into custody and administration agreements in respect of the investment instruments only with third parties from the EU countries providing for sufficient protection of the Clients' rights (in accordance with European Parliament and Council Directive 2004/39/EC on markets in financial instruments).

Part XIII/ Final Provisions

- (1) In case of discrepancies between the Agreement entered into by and between the Bank and the Client in respect of a specific banking trade and these Investment Terms and Conditions, the wording of the Agreement prevails.
- (2) The Bank may amend these Investment Terms and Conditions, Claims Code and List of Fees pursuant to Part Three/ Clause III of the General Business Terms and Conditions.
- (3) The obligation ceases to exist with the effect of withdrawal from the Agreement, whether withdrawn from by the Bank or the Client.
- (4) These Investment Terms and Conditions take effect on 1 May 2016, replacing the wording dated 1 February 2016.
- (5) Any consumer disputes arising from the Agreement may be settled out of court by referring the same to the Financial Arbitrator, Legerova 1581/69, 110 00 Praha 1, www.finarbitr.cz.