

Information Sheet of an investment broker

SAB servis s.r.o. as an investment broker, has an extensive information obligation to all its customers and potential customers (hereinafter the “Customer”) under the relevant legislation, in particular Act No. 256/2004 Coll., on Capital Market Business (hereinafter the “CMB Act”) and the related implementing legislation. The purpose of this Information Sheet is therefore to provide its Customers with a basic overview of all information in accordance with these legal requirements. However, Customers should be advised that information will also be provided to them by other means (e.g., in face-to-face meetings with their adviser¹).

1. Information about the broker

The company SAB servis s.r.o., ID No.: 24704008, with its registered office at Prague 1 - Nové Město, Jungmannova 748/30, Postal Code 11000, File No. C 167427 at the Municipal Court in Prague (hereinafter the “Company”) is registered as an investment broker with the Czech National Bank (hereinafter the “CNB”) in accordance with Section 29(1) of the CMB Act and is authorised by the CNB to provide investment services.

2. Contact details

- i. Telephone contact: +420 733 538 063
- ii. E-mail contact: info@sabservis.cz
- iii. Website: <https://sabservis.cz/>
- iv. Delivery address: Suttnerové 814/17, Prague 6 – Vokovice, 160 00

3. Method of communication between the Company and the Customer (including sending and receiving instructions)

- i. **General methods of communication:** Customers can communicate with the Company in person, through their advisor, by phone or e-mail. However, telephone provision of investment services is not permitted. Customers may only use telephone communications to arrange a personal meeting. A separate formalised communication method is set up for receiving instructions as set out below.
- ii. **Method of communication for sending and receiving instructions:** The Company notifies Customers that it will only accept orders from Customers in writing. Customer instructions must be given at a face-to-face meeting between the Customer and a representative of the Company; the Company reserves the right not to accept instructions given remotely. Please note that the Company does not accept any instructions given by telephone.
- iii. **Language of communication:** Communication with the Company’s Customers is conducted in the Czech language, which is also the language in which all documentation and information is provided.

4. Acting on behalf of the company and representation

The Company as an investment broker may be represented only by its employee or its tied agent when dealing with a Customer or potential Customer in the provision of investment services.

A worker of the Company means the statutory body of the Company or its members or an employee of the Company.

For the purposes of the CMB Act, a tied agent, pursuant to the provisions of Section 32a(1) of the CMB Act, shall mean a person who is authorised, on the basis of an entry in the list pursuant to Section 32c(4) of the CMB Act, to (a) arrange and, where appropriate, conclude transactions relating to the principal investment service referred to in Section 4(2)(a) or (h) of the CMB Act, if the principal is authorised to provide such services (note: the principal investment services that the Company is authorised to provide are specified below), (b) to provide the investment service referred to in Section 4(2)(a) or (h) of the CMB Act, if the principal is authorised to provide such services. (c) to advertise the investment services which the principal is authorised to provide.

¹ Adviser means a person dealing with a Customer for the purpose of arranging financial products who is authorised and qualified to do so.

The Company declares that it acts as a represented person also through tied agents, all of which are registered in the Czech Republic. The list pursuant to Section 32c(4) of the CMB Act, i.e., the list of tied agents, is maintained by the CNB. The eligibility of a person to act as a tied agent of the Company and the scope of their authorisation can be verified on the CNB website (specifically here: https://apl.cnb.cz/apljerrsdad/JERRS.WEB07.INTRO_PAGE?p_lang=cz).

Customers are informed that each tied agent is obliged, inter alia, (i) when carrying out the activities referred to in Section 32a(1) of the CMB Act, to disclose to Customers and potential Customers information about the person of the represented person, i.e., the Company, and (ii) when carrying out the activities referred to in Section 32a(1) of the CMB Act, to disclose to Customers and potential Customers information about the activities referred to in Section 32a(1) of the CMB Act that it is authorised to carry out and in relation to which investment instruments.

5. Investment services that the Company provides

The Company provides the following investment services:

- i. the main investment service referred to in Section 4(2)(a) of the CMB Act, i.e., the receipt and transmission of instructions relating to investment instruments;
- ii. the main investment service referred to in Article 4(2)(e) of the CMB Act, i.e., investment advice relating to investment instruments

6. Prohibition to receive funds and investment instruments

The Company as an investment intermediary is not allowed to accept funds or investment instruments of customers in connection with the provision of investment services according to the CMB Act. This prohibition also applies to all persons who may act on behalf of the Company.

7. Investment instruments brokered by the Company

The Company as an investment broker is authorised to provide the main investment services referred to in Section 4(2)(a) or (e) of the CMB Act only in relation to the following investment instruments:

- a) collective investment securities issued by collective investment funds or comparable foreign investment funds
- b) collective investment securities issued by qualifying investor funds or comparable foreign investment funds
- c) bonds issued by the Czech Republic
- d) mortgage bonds; or
- e) bonds for which a prospectus or comparable document has been issued.

What is meant by these securities is set out in more detail in the CMB Act.

8. Entities to whom instructions are given

The Company as an investment broker may, when providing the main investment service referred to in Section 4(2)(a) or (e) of the CMB Act, transmit instructions only to:

- (i) a securities dealer, (ii) a bank, (iii) an investment company, (iv) a manager of a collective investment fund or a comparable foreign investment fund that manages such fund under the authorisation of the CNB, or (v) a self-managed collective investment fund (collectively, "Producers" or individually, a "Producer"). Information as to which of these entities will be instructed in a particular case will be provided to the client in the manner and form prescribed by law before the provision of a particular investment service.

In providing the main investment service referred to in Section 4(2)(a) or (e) of the CMB Act, the Company shall transmit instructions to the following entities:

- Amundi Czech Republic Asset Management, a.s., Rohanské nábřeží 693/10, Prague 8, 185 00, ID No.: 25684558 (hereinafter "Amundi")
- ATLANTA SAFE, a. s., U Sluncové 666/12a, Karlín, 180 00 Prague 8, ID No.: 457 94 952 (hereinafter "Atlanta")
- ATRIS investiční společnost, a.s., Plzeňská 3217/16, Smíchov, 150 00 Praha 5, ID No.: 27647188 (hereinafter "ATRIS")
- AVANT investiční společnost, a.s., Hvězdova 1716/2b, Nusle, 140 00 Praha 4, IČO, ID No.: 27590241 (hereinafter "Avant")
- CODYA investiční společnost, a.s., Lidická 1879/48, Černá Pole, 602 00 Brno, ID No.: 06876897 (hereinafter "Codya")
- Colosseum, a.s., Evropská 2758/11, Prague 6, 160 00, ID No.: 25133454 (hereinafter "Colosseum")
- Conseq Investment Management, a.s., Rybná 682/14, Prague 1, 110 00, ID No.: 26442671 (hereinafter "Conseq")
- CYRRUS, a.s., Veveří 111, Brno, 616 00, IČO: 63907020 (hereinafter "Cyrrus")

- EFEKTA obchodník s cennými papíry a.s., Na Pankráci 1720/123, Nusle, 140 00 Praha 4., ID No.: 60717068 (hereinafter “Efekta”)
- Generali Investments CEE, investiční společnost, a.s., Na Pankráci 1658/121, 140 21, Prague 4, ID No.: 43873766 (hereinafter “Generali”)
- INVESTIKA, investiční společnost, a.s., U Zvonařky 291/3, Prague 2, 120 00, ID No.: 04158911 (hereinafter “Investika”)
- J&T Banka, a.s., Sokolovská 700/113a, Karlín, 186 00 Praha 8., ID No.: 47115378 (hereinafter “J&T”)
- Moventum a.s., Bašty 413/2, 602 00 Brno, ID No.: 06413404 (hereinafter “Moventum”)
- UNIQA investiční společnost, Evropská 810/136, Vokovice, 160 00 Prague 6, ID No.: 64579018 (hereinafter “Uniqa”)
- WOOD & Company Financial Services, a.s., nám. republiky 1079/1a, Nové Město, 110 00 Prague 1, ID No.: 26503808 (hereinafter “WOOD & Company”)
- WOOD & Company investiční společnost, a.s., nám. Republiky 1079/1a, Nové Město, 110 00 Prague 1, ID No.: 60192445 (hereinafter “WOOD & Company”)

9. General information on the nature of investment advice

The Company informs Customers that the investment advice it provides is not provided on an independent basis.

In particular, the following limitations apply to the provision of investment advice: investment advice will be provided as one-off advice and the Company will not review or otherwise evaluate its investment advice over time, will not carry out periodic evaluations of the suitability of investment recommendations, in particular will not carry out periodic evaluations pursuant to Section 15h(2) of the CMB Act, unless otherwise agreed with the Customer. The Company's investment advice is also limited in that it is based on a limited range and analysis of different investment instruments. The Company can only provide investment advice on statutory investment instruments, and the Company only provides advice on instruments offered by the entities to which it transmits instructions – it does not therefore cooperate with all entities on the market. These entities are contractual partners of the Company and the Company collects performance (incentives) from these contractual partners. By its nature, the Company has a commercial interest – naturally within the scope of its duty of care as an investment broker – in the investment instruments of these entities being acquired by Customers.

10. Information on customer categories

The Company informs Customers that under applicable law, an investment broker is required to inform new and existing Customers of their classification as non-professional customers, professional customers or eligible counterparties. An investment broker is also obliged to inform Customers of the rights the Customer has if they wish to request a different categorisation and of the limitations on the level of customer protection associated with the different categorisation. In doing so, the investment broker may, on its own initiative or at the request of the Customer concerned, deal with the Customer in the following manner:

- a) with a Customer who would otherwise be classified as an eligible counterparty in accordance with Article 30(2) of Directive 2014/65/EU, as a professional or non-professional customer;
- b) with a Customer who is considered to be a professional customer under Section I of Annex II to Directive 2014/65/EU as a non-professional customer.

According to the CMB Act, a professional customer is defined as three groups of entities:

ENTITIES EXPRESSLY LISTED

(a) bank, (b) credit union, (c) securities dealer, (d) insurance company, (e) reinsurance company, (f) investment company, (g) an investment fund, (h) a pension company, (i) any other person who conducts business on the financial market on the basis of an authorisation granted by the financial market supervisory authority, with the exception of: 1. a tied agent pursuant to the CMB Act, 2. a tied agent and broker of a tied consumer credit pursuant to the law regulating consumer credit, 3. a tied agent pursuant to the law regulating supplementary pension savings, and 4. a tied agent and a supplementary insurance intermediary under the law regulating the distribution of insurance and reinsurance, j) a person who carries out securitisation as its principal activity, k) a person who trades for their own account in investment instruments for the purpose of reducing the risk (hedging) from transactions in investment instruments referred to in Art. (l) a person who deals on own account in the investment instruments referred to in Article 3(1)(d) to (k) of the CMB Act and this activity is one of its principal activities (g) to (i) of the CMB Act or commodities and such activity is one of its core activities, m) a legal person which is competent to manage the State's assets in arranging the purchase, sale or administration of its receivables or other assets, or in restructuring companies or other legal persons with State participation, n) a foreign person with similar activities to any of the persons referred to in points (a) to (m), o) a State or a Member State of the Federation, (p) the CNB, a foreign central bank or the European Central Bank; and (q) the World Bank, the International Monetary Fund, the European Investment Bank or any other international financial institution.

ENTITIES MEETING THE STATUTORY CRITERIA

- a) a legal person established for the purpose of carrying on a business which, according to its most recent accounts, fulfils at least 2 of the 3 criteria which are 1. total assets of at least EUR 20 000 000, 2. annual net turnover of at least EUR 40 000 000, 3. shareholders' equity of at least EUR 2 000 000,
- b) a foreign person established for the purpose of carrying on a business which fulfils the conditions set out in point a).

The entities specified above shall be deemed to be a Customer who is not a professional customer to the extent of the transactions in the investment instrument or investment services agreed with the investment broker. In the event that this agreement has not been concluded in writing, the securities dealer shall be obliged to issue to that Customer, upon their request, a confirmation of the scope of the transactions in the investment instrument or investment services agreed between that Customer and the investment broker.

PROFESSIONAL CUSTOMER ON REQUEST

(1) A professional customer is also a person under the CMB Act who (a) asks the investment broker to treat them as a professional customer and the investment broker agrees to the request and (b) meets at least 2 of the following 3 criteria:

- a) they have executed, in each of the last 4 consecutive quarters, in the relevant financial market area, trades in the investment instrument to which the application relates in a significant volume and in an average number of at least 10 trades per quarter,
- b) their assets in cash and investment instruments amount to at least EUR 500 000,
- c) they have been engaged for at least one year, or has been engaged in connection with the exercise of its employment, profession or function, in a financial market activity which requires knowledge of the trades or services to which the request relates.

(2) The request referred to in paragraph 1(a) shall be in writing and shall make it clear what transaction or transactions in an investment instrument or investment service it relates to. The request shall be accompanied by a written statement by the applicant that they are aware that (a) the change may result in the loss of entitlement to compensation from a foreign guarantee scheme for the purpose of a similar scheme provided by the Securities Traders Guarantee Fund, (b) the obligations laid down in Sections 15 to 15r in relation to a professional customer are fulfilled by the investment broker to a narrower extent than in relation to a Customer who is not a professional customer; the investment broker shall explicitly draw the applicant's attention to these facts.

(3) An investment broker may grant consent under paragraph (1)(a) if it is satisfied that the applicant meets the criteria referred to in paragraph (1)(b) and has the necessary experience and expertise in relation to the transaction or transactions in the investment instrument or investment service to which the application relates, is able to make its own investment decisions and understands the risks involved.

(4) A professional customer referred to in paragraph 1 shall be deemed to be a non-professional customer if they request the investment broker. The request shall be clear as to which transaction or transactions in the investment instrument or investment service such request relates to. The investment broker shall comply with that request.

(5) The investment broker shall verify on an ongoing basis and regularly assess whether the professional customer referred to in paragraph 1 no longer meets the conditions referred to in paragraph 3.

Furthermore, the CMB Act distinguishes the so-called eligible counterparty. In doing so, it provides that (1) an investment broker is not obliged to fulfil the obligations set out in Sections 15 to 15r of the CMB Act in relation to a professional customer referred to in Section 2a(1) when providing the main investment service referred to in Section 4(2)(a) of the ICA. For a professional customer in relation to whom the investment broker is not providing the main investment service referred to in Article 4(2)(a) of the CMB Act and the investment broker is not obliged to comply with the obligations set out in Sections 15 to 15r CMB Act shall also be deemed, if it expressly agrees to do so, is deemed to be a natural person resident or a legal person with its registered office in another Member State of the European Union in respect of whom, under the law of that Member State, a foreign person authorised in that Member State to provide investment services is not obliged, without its request, to comply with obligations similar to those set out in Sections 15 to 15r CMB Act when providing the main investment service referred to in Section 4(2)(a) of the CMB Act. (2) An investment broker shall not be obliged, when providing the main investment service referred to in Section 4(2)(a) of the CMB Act, to fulfil the obligations set out in Sections 15 to 15r of the CMB Act in relation to a professional customer referred to in Section 2a(2) and Section 2b(1) of the CMB Act, if such professional customer so requests in writing. The request shall make clear to which transaction or transactions in the investment instrument or investment service it relates.

(2) An investment broker shall not be obliged, when providing the main investment service referred to in Section 4(2)(a) of the CMB Act, to fulfil the obligations set out in Sections 15 to 15r of the CMB Act in relation to a professional customer referred to in Section 2a(2) and Section 2b(1) of the CMB Act, if such professional customer so requests in writing. The request shall make clear to which transaction or transactions in the investment instrument or investment service it relates.

(3) An investment broker shall, when providing the main investment service referred to in Section 4(2)(a) of the CMB Act, be obliged to fulfil the obligations set out in Sections 15 to 15r of the CMB Act in relation to a professional customer in relation to

whom it does not fulfil them within the meaning of paragraph 1 or 2, if that Customer requests the investment broker to do so in writing. Such a request must make clear which transaction or transitions in the investment instrument or investment service is concerned.

(4) An investment broker shall, when providing the principal investment service referred to in Section 4(2)(a) of the CMB Act, act in a qualified, honest and fair manner in relation to a professional client in respect of whom it does not fulfil the obligations set out in Sections 15 to 15r of the CMB Act within the meaning of subsection (1) or (2) and shall not use unclear, false, misleading or deceptive information in its communication with that Customer.

The Company hereby informs its Customers that each of its Customers (existing and new customers) is and will be classified a priori as a non-professional customer, on the Company's own initiative, i.e.m without the Customer's request. Thus, the category of non-professional customers will include both non-professional customers, eligible counterparties and professional customers.

If a Customer classified as a non-professional customer meets the regulatory requirements for classification as an eligible counterparty or as a professional customer, the Customer may request reclassification on a reclassification request form issued by the Company upon request. Reclassification shall only be possible with the prior consent of the Company. The Company advises Customers that Customers are not and will not be legally entitled to the Company's consent to reclassification and the Company reserves the right to refuse to grant the request and to refuse to grant consent to reclassification, even without giving reasons. This does not apply in cases where the Company is obliged by law to comply with a Customer's request, in which case Customers will be entitled to such reclassification and the Company will comply with the request, provided that the conditions are met (this applies in particular to cases where the Company reclassifies a Customer, for example, as a professional customer at the request of the Customer, and the professional customer so classified then requests to be reclassified back as a non-professional customer). The Company informs Customers that a requesting customer whose request for reclassification is not granted will always be allowed to terminate its relationship with the Company in the provision of investment services by the Company.

The Company advises Customers that the category of non-professional customers (not professional customers) provides such classified customers with the right to be fully informed and, where the conditions for such compensation option are met, to be compensated from the Securities Traders Guarantee Fund scheme. In this context, the Company advises Customers that the activities of investment brokers are not covered by any guarantee fund. Non-professional customers who would request to be reclassified as professional customers are informed that this change may entail the loss of the right to compensation from a foreign guarantee scheme for the purpose of a scheme similar to that provided by the Securities Traders Guarantee Fund and that certain obligations set out in the CMB Act in relation to a professional customer may be fulfilled by the investment broker to a narrower extent than in relation to a non-professional customer.

11. Information about the Company's other business

Customers are informed that in addition to the activities of an investment broker, the Company's business and activities are also those listed in the Company's extract from the Commercial Registry, which is available on the website www.justice.cz (after entering the Company's business name or identification number).

12. Information on failure to ensure return on investment

The Company cautions Customers that the value and return of an investment in investment instruments is not guaranteed or assured. Any losses incurred by the Customer shall be borne entirely by the Customer. Except as expressly provided by law, there is no compensation scheme for the failure of third parties to whom Customers entrust their assets in the context of an investment. An example of a compensation scheme in the Czech Republic is the Securities Dealers Guarantee Fund established under the CMB Act (Section 128 et seq. of the CMB Act), but compensation is limited and conditional, and compensation relates only to assets entrusted by the Customer to a securities dealer authorised in the Czech Republic, not to an investment broker (which is, however, generally prohibited from accepting Customers' funds or investment instruments in connection with the provision of investment services). **The Company expressly and repeatedly points out that the investment risk is always borne by the Customer and compensation from the Guarantee Fund is only provided in the case of the "bankruptcy" of the securities dealer. At the same time, for investments in investment funds, there is no guarantee fund or other similar system in the sense of insuring the value of the Customer's invested assets.**

13. Basic information on the Securities Dealers Guarantee Fund

The Guarantee Fund is a legal entity that provides a guarantee system from which compensation is paid to customers of a securities trader who is unable to meet its debts to its customers, all under the terms and conditions set out in the legislation (in particular the CMB Act) and the internal regulations of the Guarantee Fund.

Basic information on the provision of compensation from the Guarantee Fund

Provision of compensation from the Guarantee Fund

Section 130

(1) The CNB shall notify the Guarantee Fund without undue delay that (a) the securities dealer, due to its financial situation, is unable to meet its debts consisting in the delivery of assets to its customers and is unlikely to meet them within 1 year, or (b) the court has issued a decision on the bankruptcy of the securities dealer or has issued another decision resulting in the fact that the customers of the securities dealer cannot effectively claim the delivery of their assets against the securities dealer.

(2) The Guarantee Fund, in agreement with the CNB, shall promptly publish in an appropriate manner a notice containing (a) the fact that the securities dealer is unable to meet its debts, (b) the place, manner and time limit for filing claims for compensation and commencing payment of compensation from the Guarantee Fund, and (c) any other facts relating to the filing of claims.

(3) The time limit for filing claims shall not be less than 5 months from the date of publication of the notice referred to in paragraph 2. The fact that this time limit has expired may not be relied upon to deny payment of compensation from the Guarantee Fund.

(4) The following entities are not entitled to compensation from the Guarantee Fund:

- a) Czech Consolidation Agency,
- b) a territorial unit,
- c) a person who:

1) within the 3 years preceding the notification, audited or participated in the audit of a securities dealer whose customers are compensated by the Guarantee Fund,

2) was a member of the governing body of a securities dealer whose customers are compensated by the Guarantee Fund,

3) was a person with a qualifying holding in a securities dealer whose customers are compensated by the Guarantee Fund,

4) was a person close to the person referred to in points 1 to 3 under the Civil Code, 5) was a person belonging to the same business group as the securities dealer whose customers are compensated from the Guarantee Fund, 6) has audited or participated in the audit of a person belonging to the same business group as the securities dealer whose customers are compensated by the Guarantee Fund, 7) has been a member of the management body of a person belonging to the same business group as the securities dealer, (d) a person in which the securities dealer whose customers are compensated by the Guarantee Fund has or had, at any time during the 12 months immediately preceding the date on which the notification was made, a securities dealer whose customers are compensated by the Guarantee Fund, (e) a person who, in connection with the laundering of the proceeds of crime, has entrusted a securities dealer whose customers are compensated by the Guarantee Fund with more than 50% of the share capital or voting rights, (f) a person who, by a criminal offence, has caused the inability of a securities dealer whose customers are compensated from the Guarantee Fund to meet its obligations towards its customers 40/1964 Coll., as amended by Act No 509/1991 Coll., or a member of a company pursuant to Section 2719 of the Civil Code, who has not been demonstrably informed that they are a participant in an association or a member of a company prior to the issuance of a decision on the bankruptcy of the securities dealer or notification to the securities dealer.

(5) The Guarantee Fund shall suspend the payment of compensation: a) in respect of customer property which, in the course of criminal proceedings, it is apparent may be property referred to in paragraph 4(e), or b) to a person suspected of having committed a criminal offence which has caused the securities dealer to be unable to meet its obligations to customers, for the duration of the criminal proceedings against that person.

(6) The Guarantee Fund shall suspend the payment of the compensation referred to in paragraph 5 without undue delay after it has become aware of those facts.

(7) Compensation from the Guarantee Fund shall be provided for the customer's assets that could not be delivered to the customer for reasons directly related to the financial situation of the securities dealer. For the purpose of calculating the compensation, the values of all components of the customer's property that could not be delivered due to reasons directly related to the financial situation of the securities dealer, including the customer's co-ownership interest in property co-owned with other customers, shall be added together as of the date on which the Guarantee Fund received the notification from the CNB under paragraph 1, except for the value of funds entrusted to the securities dealer that is a bank or a branch of a foreign bank and held by it in accounts insured under the law regulating the activities of banks. From the resulting amount shall be deducted the value of the customer's liabilities to the securities dealer due on the date on which the Guarantee Fund received the CNB's notification.

(8) For the purpose of calculating the compensation under paragraph 7, the fair values of the investment instruments in force on the date on which the Guarantee Fund receives the CNB's notification shall be used. In calculating the compensation, the Guarantee Fund may also take into account the contractual arrangements between the securities dealer and the customer,

if usual, in particular the interest or other returns actually credited to the customer on the date on which the Guarantee Fund received the CNB's notification.

(9) Compensation shall be provided to the customer in the amount of 90% of the amount calculated pursuant to paragraphs 7 and 8, but no more than an amount in Czech crowns corresponding to EUR 20,000 per customer per securities dealer shall be paid.

(10) Compensation from the Guarantee Fund shall be paid within 3 months from the date of verification of the registered claim and calculation of the amount of compensation. The CNB may, in exceptional cases, at the request of the Guarantee Fund, extend this period by a maximum of 3 months.

(11) The securities dealer shall provide the Guarantee Fund, at its request, within the time limit set by the Guarantee Fund, with the documents necessary for the calculation of the compensation under paragraphs 7 and 8. If a securities dealer has a temporary administration or resolution administration in place pursuant to the Act regulating recovery procedures and crisis resolution in the financial market, the person designated pursuant to the Act regulating recovery procedures and crisis resolution in the financial market shall have this obligation. Where a receivership is imposed on a securities dealer, the receiver shall have that duty, and where the assets of the securities dealer are declared bankrupt, the insolvency administrator of that securities dealer shall have that duty. The same obligation shall also be owed, if the Guarantee Fund invites it to do so, to any other person, provided that he has the documents in his possession.

(12) The documents referred to in paragraph 11 shall contain, in particular, the following data for each customer: a) the currency and amount of funds and the type, number and unambiguous identification of the investment instruments which constitute the customer's assets and which could not be issued in accordance with the procedure pursuant to Section 132, b) the amount of the customer's claims against the securities dealer arising under contractual provisions, in particular the interest or other returns actually credited to which the customer is entitled, c) the amount of the securities dealer's set-off claims against the customer.

Further conditions and information are contained in particular in the CMB Act. Some information is also provided on the website www.gfo.cz.

14. General information on the investment instruments that are the subject of the investment service

Section 3 of the CMB Act defines a number of investment instruments. However, the Company as an investment broker is subject to the restrictions imposed by Section 29(3) of the CMB Act, according to which an investment broker is authorised to provide the main investment services referred to in Section 4(2)(a) or (e) of the CMB Act only in relation to the investment instruments specified below:

- a) collective investment securities issued by collective investment funds or comparable foreign investment funds;
- b) collective investment securities issued by qualifying investor funds or comparable foreign investment funds;
- c) bonds issued by the Czech Republic;
- d) mortgage bonds;
- e) bonds for which a prospectus or comparable document has been issued.

15. Risks associated with investments in investment instruments

GENERAL DESCRIPTION OF RISKS:

Notice: There are a number of risks associated with investing in investment instruments. It is not certain, assured or guaranteed that the value of the investment instruments will increase in the future and/or that the investment objectives will be achieved; nor is the return on the investment itself certain, assured or guaranteed, and the investor should be aware that it may lose some or all of it. The value of the investment instruments and the returns thereon may decline over time and it is possible that the investor may not recover the amount invested and may lose the investment in its entirety. Historical growth in the value of investment instruments or historical returns is therefore no guarantee of future growth in the value of investment instruments or their returns. Only investors who are financially able to bear any loss should therefore make an investment.

As part of its risk assessment, the CNB has issued a set of ten principles that should be taken into account by anyone considering an investment in corporate bonds (see "[Ten principles for small investors in corporate bonds](#)" available on the CNB website).

OVERVIEW OF BASIC RISKS:

Below is an overview of the risks typically associated with investing in investment instruments. The list is provided for illustrative purposes and is not exhaustive; Customers are advised that there are additional risks. The level of risk may vary.

Market risk represents a possible decline in the overall stock market.

Loan or credit risk is the possibility that an issuer or borrower will not meet its obligations in a proper and timely manner due to its poor financial condition.

Liquidity risk is the risk that a financial instrument may prove difficult to sell or even unsellable before maturity.

Currency risk means that the value of an investment will be affected by changes in exchange rates/currency exchange rates. Interest rate risk is the risk that the value of an investment will be affected by movements in market interest rates. Inflation risk is the risk that the value of an investment will be affected by a sustained increase in the general price level.

Environmental risk is the risk that the value of an investment will be affected by, for example, the tax regime, the political situation, geographical circumstances, natural events, etc.

Operational risk is the risk of loss arising from the inadequacy or failure of internal processes, people and systems or from external events. It represents, for example, incorrect posting or settlement, sending money to another account or errors in support systems, management risk, etc.

With appropriate measures and prudence, certain risks can be partially reduced but never completely eliminated.

16. More detailed information on each investment instrument

Below is more detailed information on the individual investment instruments for which the investment broker is authorised to provide the main investment services referred to in Section 4(2)(a) or (e) of the CMB Act.

Collective investment securities issued by collective investment funds or comparable foreign investment funds

The nature, operation and performance under different market conditions (including positive and negative conditions) and the risks inherent in this type of investment instrument:

Collective investment securities are generally defined as securities representing an interest in investment funds or foreign investment funds. 240/2013 Coll., on Investment Companies and Investment Funds. Investment funds are collective investment funds and funds of qualified investors (hereinafter also referred to as "fund").

A collective investment fund is:

- a) a legal person with its registered office in the Czech Republic, which is authorised to collect funds from the public by issuing shares and to make joint investments of the collected funds on the basis of a determined investment strategy on the principle of spreading the risk in favour of the owners of these shares, and to manage these assets, and
- b) a mutual fund, the purpose of which is to collect funds from the public by issuing units and to invest the collected funds jointly on the basis of a designated investment strategy on a risk-spreading basis for the benefit of the owners of those units and to further manage those assets.
- c) a collective investment fund shall also be deemed to be a mutual fund or a joint stock company with a variable share capital, the purpose of which is to collect funds from at least two collective investment funds or comparable foreign investment funds and/or sub-funds of a collective investment fund or comparable foreign facilities, if such fund, sub-fund or facility invests more than 85% of the value of its assets in units or investment shares issued by that mutual fund or by that public limited liability company with variable share capital.

A collective investment fund can only be a mutual fund or a joint stock company.

A mutual fund is made up of assets and has no legal personality. Ownership of the assets in a mutual fund belongs jointly to all unit holders in proportion to the value of the units held by them. However, no unit-holder may apply for the separation of the assets in the mutual fund, the division of the mutual fund or the dissolution of the mutual fund. The provisions of the Civil Code on co-ownership shall not apply to a mutual fund.

Ownership rights over the assets in the mutual fund shall be exercised by the manager in its own name and on behalf of the mutual fund. Shareholders shall not be liable to creditors for debts in the mutual fund. Claims corresponding to debts in the mutual fund shall be satisfied out of the assets in the mutual fund.

The mutual fund is established on the date of registration in the list of mutual funds maintained by the CNB.

A unit is a security or a book-entry security which represents a unit holder in a mutual fund and which carries the rights of the unit holder under this Act or the statutes of the mutual fund.

In particular, units may carry the right to

- a) a different, fixed or subordinated share of the profits or of the liquidation balance,
- b) payment of an advance on profits,
- c) a lower fee charged if the performance of the mutual fund exceeds a specified indicator (benchmark) against which the performance is compared; or
- d) a lower redemption charge if the unit has a right of redemption attached to it.

Any special rights and their content shall be determined in the mutual fund statutes.

Mutual funds are further divided into open-ended and closed-ended mutual funds. In the case of an open-ended mutual fund, a unit issued by an open-ended mutual fund carries with it the right of the unit-holder to redeem it on behalf of that fund. There is no limit to the number of units that an open-ended mutual fund may issue.

In the case of a closed-end mutual fund, a unit issued by a closed-end mutual fund generally does not carry a right of redemption for the account of the fund.

A variable capital company is a public limited company which issues shares to which a shareholder's right of redemption for the account of the company is attached and whose trading name includes the designation "variable capital investment trust", which may be replaced by the abbreviation "SICAV".

According to another criterion, collective investment funds are subdivided into standard funds and special funds. A standard fund is a collective investment fund that meets the requirements of the Directive of the European Parliament and of the Council on the coordination of regulations in the field of collective investment and is registered as such in the relevant list maintained by the CNB. A special fund is a collective investment fund that does not meet the requirements in the preceding sentence of the Directive and is not registered as a standard fund in the relevant list maintained by the CNB.

For the sake of completeness, the Company states that a foreign investment fund is (a) a legal entity having its registered office in a state other than the Czech Republic comparable to an investment fund, or (b) a vehicle established under the law of a foreign state comparable to an investment fund that is a mutual fund or a trust fund.

The functioning and performance of collective investment funds is determined in particular, but not exclusively, by the setting of the investment strategy of the collective investment fund.

For the purposes of Act No. 240/2013 Coll., investment strategy means the investment method of an investment fund, including in particular

- a) the types of property which may be acquired for the assets of the investment fund and, if securities or book-entry securities may be acquired for its assets, the type of such securities or book-entry securities, such as shares or bonds, and, if bonds or similar securities or book-entry securities representing a right to repayment of the amount due may be acquired for its assets, then also the type of such bonds or similar securities or book-entry securities representing the right to repayment of the amount due, according to their issuer, for example bonds issued by the State or bonds issued by commercial companies,
- b) the investment limits to be observed in relation to the items referred to in point (a),
- c) an indication of whether the investment fund copies or intends to copy the composition of an index of shares or bonds or any other index or tracks or intends to track a particular index or other financial quantitative indicator (benchmark); this indication shall indicate which index or indicator it is and how or to what extent the investment fund tracks or copies or intends to track or copy it,
- d) an indication of the particular sector of the economy or part thereof, the particular geographical area or the particular part of the financial market in which the investment fund concentrates or intends to concentrate its investments, or the particular type of things in which the investment fund concentrates or intends to concentrate its investments,
- e) the possibilities and limits of a security or guarantee where the return on the investment, or part of it, or the return on that investment is to be secured (secured funds) or guaranteed (guaranteed funds) and an indication of the manner in which the security or guarantee will be achieved,

- f) the possibilities and limits for the use of the credit or loan received on behalf of the investment fund,
- g) the possibilities and limits of using the assets of the investment fund to grant a loan, borrowing, gift and security for an obligation of another person or to pay a debt not related to its management,
- h) the possibilities and limits relating to the sale of items on behalf of the investment fund which are not held by the investment fund; and
- i) an indication of the techniques for managing the investment fund and the possibilities and limits of their use.

Depending on the type of investment strategy, the following can be distinguished:

Money market funds, bond funds, stocks funds, real estate funds, mixed funds (funds that invest mainly in stocks, bonds or money market instruments in different proportions), funds of funds (umbrella funds; funds that invest in other funds).

In general, money market funds are less risky, but their return corresponds to a lower level of risk and is therefore lower. Higher returns can generally be expected from equity, bond or mixed mutual funds, but they carry a higher level of risk. You should also be prepared for the fees that many investment companies will charge, which are mainly entry fees (usually paid when you buy units) and management fees (covering the cost of managing the fund's assets). Investors should therefore always look at the fund's investment strategy and the information in the fund's constitution, which should include the investment strategy and risks as well as any fees. The fund's constitution will also usually contain an index of the fund's total expenses, known as the TER (Total Expense Ratio). Its importance lies in the fact that it includes all actual costs." The stated return of the fund is already net of this index. In general, the higher the TER, the higher the fund's expense ratio. A potential downside is if an investor does not time his investment in the fund correctly, for example, when the equity market has already peaked and can be expected to start falling.

Regarding risks, first of all, it should be noted that unit trusts and funds are not covered by deposit insurance, and even in connection with this investment, it is necessary to take into account the risks that may cause the investor not only not to appreciate his money, but even to collect less than he invested in the unit trust or even to lose his investment.

The degree of each risk varies depending on the focus of the fund and its investment strategy. For example, a fund investing in short-term Czech government bonds potentially has less political, market, interest rate and issuer risk. On the other hand, investors in bond mutual funds focusing on long-term emerging market bonds must take into account increased political, market, currency, interest rate, inflation and, of course, issuer risk. On the other hand, short-term bonds of developed countries can also be sold with a negative yield in certain market situations, i.e., the investor is essentially paying a country to lend it money (generally classified as market risk). In general, therefore, all the general risks are associated with these securities.

Collective investment securities issued by qualified investor funds or comparable foreign investment funds

The nature, operation and performance under different market conditions (including positive and negative conditions) and the risks inherent in this type of investment instrument:

A Qualified Investor Fund (also referred to as a "QIF") is:

- a) a legal entity with its registered office in the Czech Republic, which is authorised to collect funds or things valued in cash from several qualified investors by issuing participating securities or by making qualified investors its partners and to make joint investments of the collected funds or things valued in cash on the basis of a determined investment strategy, generally based on the principle of risk spreading, for the benefit of these qualified investors and to manage these assets,
- b) a mutual fund, the purpose of which is to collect funds or things valued in money from more than one qualified investor by issuing units and to invest the pooled funds jointly on the basis of a designated investment strategy, normally based on the principle of risk spreading, for the benefit of the holders of those units and to further manage those assets; and
- c) a trust fund,
 1. of which statutes designate more than one qualified investor as a beneficiary, being the founder of the trust or the person who has increased the assets of the trust by contract; and

2. which is established for the purpose of investing on the basis of a defined investment strategy, generally based on the principle of spreading risk, for the benefit of its beneficiaries.

The condition of plurality of qualified investors need not be met if a partner, shareholder or beneficiary of a qualified investor fund is

- a) a State, an international financial organisation or a legal person subordinate to a central government body; or
- b) a qualified investor investing funds or things valued in money for the benefit of other qualified investors with whom it has a contractual relationship for the purposes of that investment.

A qualified investor fund shall also be deemed to be an investment fund which is: a) a qualified venture capital fund referred to in Article 3(b) of the directly applicable regulation of the European Union governing European Venture Capital Funds (Regulation (EU) No 345/2013 of the European Parliament and of the Council), b) a qualified social entrepreneurship fund referred to in Article 3(b) of the directly applicable regulation of the European Union governing European Social Entrepreneurship Funds (Regulation (EU) No 346/2013 of the European Parliament and of the Council), and c) a European Long-Term Investment Fund.

Only, and in the case of a trust fund, only, a person who is contractually acquired as a founder of a qualified investor fund or who increases the assets of a qualified investor fund by contract, as well as a silent partner of a qualified investor fund, may be a shareholder of a qualified investor fund.

Only the following may be a qualified investor fund

- a) a mutual fund,
- b) a trust fund,
- c) a limited partnership,
- d) a limited liability company,
- e) a joint-stock company,
- f) a European company, or
- g) a cooperative.

(2) However, a qualified investor fund investing as a money market fund or a short-term money market fund can only be an open-ended mutual fund or a joint stock company with variable share capital.

Who is a qualified investor? Act No. 240/2013 Coll., provides that only the founder of a qualified investor fund or the one who increases the assets of a qualified investor fund by contract, as well as a silent partner of a qualified investor fund, may have a share in a qualified investor fund, and in the case of a trust fund, may be

- a) a person referred to in Section 2a(1) of the CMB Act,
- b) a person referred to in section 2a(2) of the CMB Act,
- c) a manager or comparable foreign person on behalf of an investment fund or a foreign investment fund it manages,
- d) a pension company on behalf of a participating fund or a transformed fund it manages,
- e) a person carrying on an activity referred to in Section 2(b),
- f) a legal person subordinate to a central government body,
- g) a person who is considered to be a professional client under the CMB Act or the law of another Member State in relation to investments in that qualifying fund,
- h) a person who has made a declaration that they are aware of the risks associated with investing in that qualified investor fund if they are a shareholder, founder or member of another investment fund or a foreign investment fund managed by the same manager as that fund and administered by the same administrator as that fund, and if the amount of the paid-up deposit or paid-up investment in those funds, as well as the assets managed pursuant to Article 11(1)(b) of Directive 2009/65/EC, corresponds to the amount of the investment in those funds. 1(c), where it is managed by the same manager as that fund, in aggregate amounts to at least
 1. EUR 125,000, or
 2. CZK 1,000,000, if the manager or administrator of that qualifying investor fund, or a person authorised by it, confirms in writing that, on the basis of information obtained from the investee in a manner similar to the provision of the main investment service referred to in Article 4(2)(d) or the CMB Act, it reasonably believes that the investment is consistent with the financial background, investment objectives and investment expertise and experience of the investee; or
- i) a person who has made a declaration that they are aware of the risks associated with investing in that qualifying investor fund and whose paid-up deposit or paid-up investment in that fund is at least
 1. EUR 125,000, or

2. CZK 1,000,000, if the manager or administrator of that qualified investor fund, or a person authorised by it, confirms in writing that, on the basis of information obtained from the investee in a manner similar to the provision of the main investment service referred to in Section 4(2)(d) or the CMB Act, it reasonably believes that the investment is consistent with the financial background, investment objectives and investment expertise and experience of the investee.

The general objective of the above-mentioned legal conditions is to ensure that only entities that really understand investing in investment instruments very well and/or have a higher capital level that allows them to bear the risk of partial or total loss of the investment will invest in qualified investor funds. Individual funds may set in their statutes a higher minimum investment requirement than the legal limit. In general, qualified investor funds have a wider range of investment options compared to standard open-ended mutual funds and a lower level of regulation, which in turn increases the level of risk. As a model example, while standard mutual funds may use derivatives primarily for hedging purposes only (for example, they often use currency forwards to hedge currency risk into kroner), qualified investor funds may also use them for speculative purposes. They can therefore speculate on currency exchange rates, stock options, commodity futures contracts, etc. Among the specifics that may be perceived as negative by customers is the fact that, unlike standard open-end mutual funds, qualified investor funds are not obliged to publish so-called key investor information (KIID), where the fund manager lists the most important information and, in particular, describes the investment policy and specific risks of the fund. Qualified investor funds are not even required to calculate the so-called synthetic risk indicator SRRI. The risks associated with an investment in a given qualifying fund are only described in general terms in the fund's statutes, which are usually a very comprehensive document. Qualified investor funds also often restrict liquidity in that they can be exited at any time, but perhaps only at certain times or under certain conditions. An exit from such a fund may (e.g., for a period of time after joining the fund) be associated with varying levels of penalty exit fees.

The operation and performance of qualified investor funds is also determined primarily, but not exclusively, by the investment strategy of the collective investment fund. Similarly, the degree of individual risk varies depending on the focus of the fund and its investment strategy.

Mortgage pledge certificates

The nature, operation and performance under different market conditions (including positive and negative conditions) and the risks inherent in this type of investment instrument:

Mortgage pledge certificates are regulated by Act No. 190/2004 Coll., on Bonds. These are bonds, as well as similar securities representing the right to repay the amount owed, issued under the law of a foreign country, the nominal value and the proportional yield of which (hereinafter referred to as "mortgage pledge certificates") are fully covered by claims from mortgage loans or part of such claims (ordinary cover) and, where applicable, also by a substitute pursuant to this Act (substitute cover). The name of this security includes the designation mortgage pledge certificate (other securities may not contain this designation). Mortgage pledge certificates may only be issued by a bank pursuant to a special legal regulation governing the activities of banks with its registered office in the Czech Republic (hereinafter referred to as the "issuer of mortgage pledge certificates").

The functioning and expected yield depend on the terms of the bond programme and the base prospectus of the issuer, customers should pay attention to these terms; as well as the method of determining the yield (which may be fixed or floating). A negative condition can generally be considered to be a situation where it cannot be ruled out that a mortgage pledge certificate cannot be sold before maturity, although mortgage pledge certificates are generally highly liquid securities.

In general, mortgage pledge certificates can be considered as a possible security for customers with a cautious customer profile. Significant risks of this investment instrument include:

Credit Risk: The risk that the issuer will be unable to meet its obligations. This may be due, for example, to its poor financial situation or the threat or initiation of insolvency proceedings.

Liquidity risk: The risk that an investment instrument may be difficult to trade at an acceptable price (before maturity) or difficult to trade at any price.

Interest rate risk: The risk that the value of an investment or investment instrument is affected by movements in interest rates.

External risks: The risk that the value of an investment or investment instrument is affected by external influences such as tax regimes, etc.

Bonds issued by the Czech Republic

The nature, operation and performance under different market conditions (including positive and negative conditions) and the risks inherent in this type of investment instrument:

Bonds issued by the Czech Republic are a special category of bonds whose regime is regulated by Act No.190/2004 Coll., on Bonds, and which fall under the term "government bonds" within the meaning of this Act. The Czech Republic may issue government bonds in the Czech Republic and abroad. Sovereign bonds are issued on the basis of (a) a special Act on the sovereign bond programme, or (b) a special Act which authorises or enables the Ministry of Finance to issue sovereign bonds. Government bonds with a maturity of up to and including 1 year are referred to as government bills.

Government bonds are informally divided mainly according to their maturity into short-term, medium-term, long-term. The short-term ones are called government bills and have a maturity of up to 1 year or 52 weeks. Their maturity is expressed in weeks, usually between 13 and 52 weeks, i.e., between 3 and 12 months. Medium-term bonds generally have a maturity of between 1 and 10 years and long-term bonds are debt securities issued for a period of 10 years or more. The factor that an investor should consider is, among other things, the maturity period, which determines after how long the investor will get back the original amount invested. It is also useful to look at whether transferability is limited or excluded or whether the possibility of creating a pledge is limited or excluded. Performance will be assessed (among other influences) in particular by the interest yield. Different government bond issues may have different interest rates.

In general, it can be said that higher safety (in the case of the Czech Republic as an issuer, government bonds issued by some other countries can be a very risky investment) is compensated by lower interest rates, usually at a relatively long maturity, which carries the risk of a decline in the value of the investment.

The convertibility of government bonds may be excluded by the terms of issue. The terms of issue may also limit the transferability of government bonds if they also specify the conditions under which their transferability is permitted. The restriction or exclusion of the transferability of a government bond shall be binding on everyone. If the transferability of government bonds is excluded or limited, the terms of issue may also exclude the possibility of creating a lien on the government bonds or, if they also specify the conditions under which the creation of a lien is permissible, limit this possibility. The limitation or exclusion of the possibility to create a lien on government bonds is binding on everyone.

Significant risks of this investment instrument include:

Interest rate risk is the risk that the value of an investment will be affected by movements in market interest rates.

Inflation risk is the risk that the value of an investment will be affected by a sustained increase in the general price level.

Credit risk: The risk that the issuer will be unable to meet its obligations. This may be due, for example, to its poor financial situation or the threat or initiation of insolvency proceedings. In the case of the Czech Republic, however, this risk is relatively low.

Bonds for which a prospectus or comparable document has been issued

The nature, operation and performance under different market conditions (including positive and negative conditions) and the risks inherent in this type of investment instrument:

The legal regulation of bonds issued in the Czech Republic is set out in particular in Act No. 190/2004 Coll., on Bonds. According to this Act, a bond is a security or a book-entry security issued under Czech law, which carries with it the right to the repayment of a certain amount due corresponding to the nominal value by its issuer, either at once or successively at a certain time, and, where applicable, other rights arising from the law or from the terms and conditions of issue of the bond (hereinafter referred to as the "terms and conditions of issue"). Bonds may only be fungible. A certificated bond is a security in series. The endorsement of a certificated bond shall identify the purchaser.

The legal regulation of the prospectus is contained in Act No. 190/2004 Coll., on Bonds, and in particular in the CMB Act. The prospectus is defined in particular by its content – in general, it must contain all the information that is relevant to the specific nature of the issuer and the securities that are offered to the public or in respect of which admission to trading on a European regulated market is sought, necessary for investors to make an informed assessment of the security offered and the rights attached to it, the assets and debts, the financial position, profits and losses, the future development of the business and the financial position of the issuer and, where applicable, of the third party guaranteeing the repayment of the securities. The prospectus must be worded in a clear manner, in a manner that allows for easy analysis. As a general rule, only a person who publishes a prospectus for the security approved by the CNB or the supervisory authority of another Member State of the European Union (unless otherwise provided by law) at the beginning of the public offering may offer investment securities to the public.

In practice, bonds are generally distinguished according to several parameters, and an investment broker may provide principal investment services only in respect of bonds for which a prospectus or comparable document has been issued.

Breakdown according to the type of interest rate, i.e., the way the coupon is determined, usually according to the interest rate design criteria (fixed rate bonds (fixed rate bond) throughout the "life" of the bond; floating rate bonds (floater) usually linked to interbank interest rates; zero-coupon or discounted bonds (zero-coupon bond)

– such a bond does not have coupons (this corresponds formally to a zero-interest rate), but is issued at a discount to par, the so-called discount rate. This discount determines the potential return the investor receives when the bond is redeemed in full; index-linked bonds have coupon payments linked to the performance of an index (e.g., prices, wages, commodities, etc.). Another criterion is the frequency of payment – most often coupons are paid once a year, there are also coupons with semi-annual payment or deferred coupon payment and many other variations.

The risks associated with an investment in a bond are significantly influenced by the person of the issuer and its creditworthiness. Depending on the issuer, the following types of bonds are generally distinguished: government bonds, municipal bonds, bank bonds, corporate bonds.

With regard to all the above-mentioned divisions and characteristics of bonds, let us stress once again that this is not a complete and exhaustive list, nor was it intended to be. After all, financial practice brings new and new variations over time, which should always be properly studied, as is the case with any investment.

Above all, any potential investor should have sufficient knowledge and experience to evaluate the bonds, the benefits and risks of investing in the bonds and to evaluate the information contained in the prospectus of the bond and its terms of issue.

The risks associated with the Notes may be defined according to several definitional features:

Bonds generally carry all the risks associated with investments in investment instruments. As regards the specific risks associated with bonds, these are:

The risk of the issuer accepting further debt financing

There are no significant legal restrictions on the amount and terms of any future unsubordinated debt financing by the Issuer. The acceptance of any further debt financing may ultimately mean that in the event of insolvency proceedings, the claims of the bondholders under the bonds will be satisfied to a lesser extent than if no such debt financing had been accepted. As the Issuer's debt financing grows, the risk that the Issuer may default on its obligations under the Notes also increases.

Risk of the Issuer exercising early redemption

Under the terms and conditions of the issue, the issuer may reserve the right to redeem the bonds prior to their maturity date. In this case, the bondholder is exposed to the risk of a lower-than-expected yield.

Liquidity risk

Even regardless of the eventual admission of the bonds to trading on a regulated market, there can be no assurance that a sufficiently liquid secondary market for the bonds will develop or, if it does develop, that such secondary market will be sustained. The fact that bonds are admitted to trading on a regulated market will not necessarily result in greater liquidity for such bonds than for bonds not admitted to trading on a regulated market. Conversely, in the case of bonds not admitted to trading on a regulated market, it may be difficult to price such bonds, which may have a negative impact on their liquidity. In a potentially illiquid market, an investor may not be able to sell the bonds at any time at an adequate market price. The issuer may even directly restrict or eliminate the transferability of the bonds and thereby jeopardise or eliminate liquidity. An investor must therefore pay close attention to the terms of the issue and the possibility of changes to them.

Fees

The overall return and yield on an investment in the bonds may be affected by the level of fees charged by the issuer, securities dealer or other intermediary for the purchase/sale of the Notes and/or charged by the relevant clearing system used by the investor, as applicable. Such person or institution may charge fees for the establishment and maintenance of an investment account, securities transfers, custody services, etc. This may adversely affect the expected return on the bonds from the perspective of the investor.

Risk of default

Bonds, like any other debt, are subject to the risk of default. In certain circumstances, the Issuer may not be able to pay interest on the bonds and the redemption value to investors may be less than the amount of their original investment and, in certain circumstances, the value may be zero.

Taxation

Prospective investors should be aware that they may be required to pay taxes or other charges in accordance with the laws and customs of the country in which the bonds are being transferred or of which they are citizens or residents or of any other country relevant to the situation. In some countries, there may be no official tax authorities' opinions or court rulings on financial instruments such as the bonds. Prospective investors should not rely on the brief summary of tax issues contained in this bond prospectus to acquire, sell or redeem the bonds, but should follow the advice of their own tax advisors as to their individual taxation.

Inflation

Investors should be aware that bonds do not contain an anti-inflationary clause and that the real value of an investment in bonds may decline as inflation reduces the value of the currency. Inflation also causes the real return on bonds to fall. If the amount of inflation exceeds the nominal yield on the Notes, the value of the real return on the Notes will be negative.

Risks of fixed rate bonds

Fixed rate bonds are subject to the risk of a decline in the price of such bond due to a change in market interest rates. While the nominal interest rate set out in the terms of issue is fixed for the life of the bonds, the current capital market interest rate (the "market interest rate") generally changes. As the market interest rate changes, the price of the fixed rate bond also changes, but generally in the opposite direction. Thus, if the market interest rate increases, the price of a fixed rate bond will generally fall to a level where the yield on such bond is approximately equal to the market interest rate. Conversely, if the market interest rate decreases, the price of a fixed rate bond will generally increase to a level where the yield on such bond is approximately equal to the market interest rate.

Contingency risk

An unforeseen event (natural disaster, terrorist attack, etc.) that causes disruptions in the financial markets or rapid movements in currency exchange rates may affect the value of the bonds. The negative impact of such events could cause a reduction in the return on funds invested by the Issuer and thus jeopardise the Issuer's ability to meet its obligations under the bonds. In addition, the value of the bonds and any income from the bonds may be affected by a global event (political, economic or otherwise) that occurs in a country other than the country in which the bonds are issued and traded.

In the opinion of the Company, the relevant legislation requires the Company to provide information and explanations on the terms set out below:

Leverage and its effects

Leverage is generally defined as the ability to use foreign capital to increase one's profits. In leverage, an investor not only uses their own capital, but also works with borrowed capital. The ratio of own capital to borrowed capital can be different (e.g., 1:10, 1:100, etc.). The investor thus generally only needs to deposit less money and is allowed by the provider of the foreign capital to use borrowed capital.

For example, in the case of FOREX, leverage works as follows (basic principle). When an investor starts trading, they can (but not must) be lent capital of a certain value by online brokers, which the investor can use to participate in the market price development.

The theoretical advantage of leverage is that the investor only needs a small initial capital (deposit) in the investment to which foreign capital can be lent – the investor can thus have more resources available for trading. In the case of a successful investment, this can theoretically result in higher profits. However, a significant disadvantage is that losses are multiplied in the same proportion if the investment is not successful. The loss can thus be significantly higher than the investor's own investment.

The risk of losing the entire investment, including the risks associated with the insolvency of the issuer and related events, e.g., recapitalisation from internal sources:

Customers are advised in every case of investment the risk of losing the entire investment is present. One reason for the loss of the entire investment may be the insolvency of the issuer. The issuer or other obligated person (the "obligor") may not be willing or able to meet the obligations of the investment instrument. The laws of different countries provide for different conditions under which debtors may be limited in the disposition of their assets and performance of their obligations. One such situation is the debtor's bankruptcy with its attendant consequences. In the Czech Republic, bankruptcy is regulated in particular by Act No 182/2006 Coll., the Insolvency Act. A debtor is bankrupt if it has (a) multiple creditors, (b) monetary obligations for more than 30 days past due and is unable to meet those obligations. A debtor who is a legal person or a natural person - entrepreneur is also bankrupt if it is over-indebted. The debtor is over-indebted if he has several creditors and the aggregate of his liabilities exceeds the value of his assets. It is also relevant if the debtor is in imminent bankruptcy, which is the case if, in view of all the circumstances, it can be reasonably assumed that the debtor will not be able to meet a substantial part of their monetary obligations in due and timely manner.

The bankruptcy or imminent bankruptcy of a debtor in insolvency proceedings may be resolved by the methods provided for by law, in particular by bankruptcy, reorganisation, insolvency proceedings and, if the conditions are met, by special methods of resolving bankruptcy. Customers are advised that the law may and does require creditors of debtors to actively pursue their claims in certain formal ways, within time limits, the failure of which may result in the extinction of creditors' claims. Even if creditors' claims are properly filed, it is possible that creditors' claims may not be satisfied in part or in full. There is also a risk of losing the entire investment if recapitalisation measures are applied from internal sources, which may be applied by certain debtors under the conditions laid down by law – these measures may include, in particular, cancellation of securities, transfer of securities or dilution of securities (or a combination thereof). The conditions for such measures are set out, for example, in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.

Volatility

Volatility is a concept that can be generally defined as the standard deviation from the mean of possible prices, returns, profits over a certain unit of time. The higher the volatility, the higher the values under study fluctuate, even with otherwise identical characteristics. In other words, in general, the higher the volatility, the greater the risk of the investment – but even low historical volatility does not guarantee that the value of the investment will not fluctuate (to any extent in the future). As a rule, a distinction is made between historical volatility, based on past data, and implied volatility, which corresponds to expected future volatility at a given point in time.

Margin and similar liabilities

Margin trading, also known as trading on credit, is a form of investing in which credit, i.e., foreign funds, is used. The principle of credit trading in investment instruments is that the investor finances part of his investment in investment instruments with borrowed funds, often guaranteed by the investment instruments he has just purchased. In addition to the standard risks of investing in investment vehicles, it is typical for margin that in the event of a failed investment, the investor may lose both the investment he has made and, of course, must meet his obligations under the loan. The provision of external funds entails obligations to pay the cost of providing such funds, and further obligations may be associated in particular with the investor's default in the repayment of principal, interest and fees associated with the provision of such funds. The Company recommends that only its own funds be invested at any time and only to the extent that the investor can bear the potential loss of the investment.

For completeness, the Company informs that it does not provide any such loans or credits to Customers.

17. Investment instruments brokered by the Company are intended for non-professional customers

Information as to whether the investment instrument is intended for non-professional customers or professional customers, including with regard to the target market determined pursuant to Section 12ba(3)(a) of the CMB Act:

The Company advises Customers that the investment instruments for which it will provide principal investment services will be addressed to Customers who are not professional customers.

18. Information on costs and fees related to the investment service

The Customer may be charged fees by third parties in connection with the provision of investment services, which may include:

- entry fee, which is set as a percentage of the investment volume (usually the entry fee is between 2% and 5% of the initial investment, but it can be higher);
- exit fee, which is set as a percentage of the investment volume;
- a management fee, which is usually calculated as a percentage of the volume of assets under management of the relevant investment vehicle;
- bank charges for money transfers and foreign exchange transactions; in the case of foreign currency funds or investments, the cost of the investment or part thereof may be paid in foreign currency and the related currency conversion costs charged;
- the cost of sending information on the status of the asset account and information on instructions made, e.g., in the form of postage;
- transaction fees for the maintenance of the investment account, etc.

The Customer may incur additional costs that are set out in the statutes, terms and conditions of issue or other documents relating to the investment instrument. In addition, the Customer may incur costs associated with any enforcement of rights associated with the investment instruments, including costs associated with any claims in the event of default or other default of the obligor. Finally, the Customer may incur tax and foreign exchange obligations and costs in connection with the investment services, which the Customer is obliged to address independently, and the Company recommends that the Customer address these issues with a qualified adviser (the cost of such adviser may be an additional indirect cost associated with the investment). The Company does not provide any services in respect of tax obligations and neither the Company nor the investment instrument provider is liable for the tax obligations of the Customer.

Specific details of costs and charges will be provided to the Customer in relation to the specific investment instrument and investment service.

19. Information on transfer points

For the purposes of the CMB Act, a transfer point means a place designated as a transfer point by the CMB Act. The transfer point under the CMB Act is (a) a regulated market, (b) a systematic internaliser, (c) a market maker or other liquidity provider established in a Member State of the European Union, or (d) a person or market in investment instruments established in a State which is not a Member State of the European Union and having similar activities to any of the persons or markets referred to in points (a) to (c).

Where applicable, the Customer will be informed of the specific transfer point in accordance with the Company's obligations under the legislation.

20. Information on the existence, nature and amount of the incentive, or the method of calculation if the amount cannot be determined

The provision of investment services by the Company involves the Company providing or receiving benefits (incentives) to or from third parties, whether in monetary or non-monetary form. Such incentives contribute to improving the quality of the services provided, their acceptance and provision is regulated by law and their acceptance or provision by the Company must not affect the Company's obligation to act in the best interests of its Customers. Standard incentives from third parties include a share of entry fees (brokerage commission), the amount of which usually corresponds to the entry fee on a given trade in investment instruments, i.e., it is set as a multiple of the entry fee expressed as a percentage and the amount of the investment. The amount of the entry fee is always governed by the applicable third-party price list, which will be made available to the Customer, in particular by means of information on the websites of the partner entities, and with which the Customer will be familiarised prior to the provision of the investment service. The brokerage commission for the Company provided by third parties shall never exceed the amount of the fee paid by the Customer to the third parties. In addition, the Company usually collects from third parties a share of a management or similar fee, which is calculated on the amount of the fund or portfolio management fees, and which is usually between 20% and 50% depending on the total volume of investments brokered. Lastly, for investment instruments other than collective investment securities, the Company usually collects from third parties a share of the fees for the execution of a trade in the investment instruments (purchase, sale or other disposition) by the Customer (usually a 50-100% share), even if the customer places a subsequent trade order directly with a third party without any intervention by the Company on the basis of the investment previously brokered. The usual providers of these incentives accepted by the Company are the securities dealers to whom the Company passes the orders received from Customers and the investment companies managing the funds in respect of whose investment instruments the Company provides investment services.

Furthermore, specific details of the incentives will be provided to the Customer in relation to the specific investment instrument and investment service.

Further details of the individual incentives that the Company collects from third parties are shown in the following table

Producer	Investment instrument	Incentive	
		For retrieval <i>(one-off fee; share of the entry fee on the volume of investment in the funds/ share of the investment volume for arranging the purchase of bonds/ volume of deposit)</i>	Subsequent <i>(a share of the management fee on the volume of investment managed in the fund per year; remuneration paid continuously over the duration of the investment)</i>
Amundi	Fondy Amundi incl. Rentier 3S	100% share of the entry fee	50% share of the management fee
	Fund other administrators	100% share of the entry fee	Klasik a Servis Account - 35% share of the management fee, except ARTS funds (30% share of the management fee) and Generali CEE (40% share of the management fee) Klasik Account with 100% discount for account administration - 30% share of the management fee, except ARTS funds (25% share of the management fee) and Generali CEE (40% share of the management fee)
	Funds First Eagle Funds KBI Funds Polen Capital Global Growth Funds Wells Fargo Us Equity MidCap	100% share of the entry fee	30% share of the management fee
Atlanta Safe, a. s.			
Avant	DOMOPLAN SICAV, a.s.; DOMOPLAN - Na Mariánské cestě SICAV, a.s.;	100% share of the entry fee	0.5% p.a. of the current value of the investment
	REALIA Podfond Retail Parks, SEMPER SICAV, a.s., Podfond NUMIZMATIC SEMPER SICAV, a.s.	100% share of the entry fee	0.6% p.a. of the current value of the investment
	Českomoravský fond SICAV, a.s., Podfond DOMUS; WERO ČMEF SICAV, a.s. - Podfond ČMEF AQUA; Českomoravský fond SICAV, a.s. Podfond AGUILA	100% share of the entry fee	0.7% p.a. of the current value of the investment
	EnCor Private Equity I. uzavřený podílový fond (Podílový list A1 a A2)	100% share of the entry fee	0.9% p.a. of the current value of the investment
	Penta Equity Fund SICAV, a.s. Investiční třída I Penta Real estate Fund SICAV, a.s. Investiční třída I	100% share of the entry fee	0.2% p.a. of the current value of the investment

Avant	SkyLimit Industry SICAV a.s., SkyLimit Industry, machinery sub- fund,	100% share of the entry fee	1% p.a. of the current value of the investment
	REALIA FUND SICAV, a.s., REALIA sub-fund Retail Parks	100% share of the entry fee	1.1% p.a. of the current value of the investment
	r2p invest SICAV, a.s.	100% share of the entry fee	2.9% p.a. of the current value of the investment
	EnCor Fixed Income Strategy	90% share of the entry fee	0.3% p.a. of the current value of the investment
Codya	Ambeat II tř. A real estate sub- fund; Triatleta fund SICAV, a.s.	100% share of the entry fee	0.5% p.a. of the current value of the investment
	ZDR Investments A,B,C,D PFFL I.; Fond Českého bydlení SICAV; ESG SeniorCARE SICAV, a.s.	100% share of the entry fee	0.6% p.a. of the current value of the investment
	Penta Equity Fund SICAV, a.s. - Investiční třída C, D Penta Real estate Fund SICAV, a.s. Investiční třída C, D	100% share of the entry fee	0.8% p.a. of the current value of the investment
	FIDUROCK Retail Parks Fund SICAV, a.s.	100% share of the entry fee	0.9% p.a. of the current value of the investment
	ADAX Fond firemního nástupnictví SICAV, a.s., Silverline Fund SICAV a.s.	100% share of the entry fee	1 % p.a. of the current value of the investment
Colosseum	NEMO fund	98% share of the entry fee	0.85% p.a. of the current value of the investment
Conseq	Conseq Funds incl. Active, Horizont, Classic and Private Invest	98% share of the entry fee	50% share of the management fee
	Other funds	98% share of the entry fee	30% share of the management fee
	Conseq Index ETF Aggressive ESG	98% share of the entry fee	60% share of the management fee
Cyrrus	Smart investment strategy (ETF)	100% share of the entry fee	50% share of the management fee

	Cyrus sustainable future OPF	100% share of the entry fee	50% share of the management fee
Efekta	All	95.06% share of the entry fee	0.5% of the investment volume in the fund for the year
Generali Investments CEE	Generali Fund of corporate bonds	100% share of the entry fee	0.6% of the investment volume in the fund for the year
	Generali balanced conservative, dynamic Fund	100% share of the entry fee	0.76% of the investment volume in the fund for the year
	Generali Golden Fond	100% share of the entry fee	1.2% of the investment volume in the fund for the year
	Generali Living Planet Fund	100% share of the entry fee	1% of the investment volume in the fund for the year
	Other funds	100% share of the entry fee	0.8% of the investment volume in the fund for the year
Investika	All	100% share of the entry fee	50% share of the management fee
J&T	Fonds J&T	100% share of the entry fee	50% share of the management fee
	Other funds	100% share of the entry fee	35% share of the management fee
	Bonds administered by the company	1% of the investment volume	Not relevant
Moventum	Moventum plus aktiv	100% share of the entry fee	1.2% – 1.3% (according to the strategy) of the investment volume in the fund for the year
	MOVEaesys	100% share of the entry fee	1% of the investment volume in the fund for the year
	MOVEactive ETF	100% share of the entry fee	1.75% of the investment volume in the fund for the year
	Moventum Classic	100% share of the entry fee	0 – 1.25% (according to the fund) of the investment volume in the fund for the year
	Moventum Flexi	100% share of the entry fee	0 – 1.25% (according to the fund) of the investment volume in the fund for the year
Moventum - EIC	Investment account Target account Annuity account	100% share of the entry fee	Cash funds 0.075% p.a. of the current value of the investment Bond funds 0.15% p.a. of the current value of the investment Mixed, Alternative, High Yield Bond and Emerging Markets Bond funds 0.225% p.a. of the current value of the investment Stocks funds and Mixed funds Total return (Total Return, Multi Asset) 0.40% p.a. of the current value of the investment
ATRIS	All	100% share of the entry fee, 2% of the investment volume at the same time	0.8% of the investment volume in the fund for the year
UNIQA	All	95% share of the entry fee	Not relevant
WOOD & Company Financial Services, a.s.	WOOD & Company AUP Bratislava; WOOD & Company Office sub-fund; WOOD & Company Retail sub-fund WOOD & Co. Logistics sub-fund WOOD & Company Blockchain+ sub-fund WOOD & Co. Renewables sub-fund WOOD & Co. Residential sub-fund	98% share of the entry fee	33% share of the management fee
	Bonds administered by the company	1% of the investment volume	Not relevant
WOOD & Company investiční	WOOD & Company All Weather growth fund	100% share of the entry fee	33% share of the management fee

společnost. a.s.	WOOD & Company All Weather bond fund		
WOOD Retail Investments a.s.			
WOOD & Company - Edward	All	98% share of the entry fee	98% share of the management fee

21. Information on how the incentive is transferred to the customer

The Company informs Customers that if it decides to accept an incentive in the form of a fee or other pecuniary advantage received in connection with the provision of an investment service, it shall not pass on such incentive to the Customer to any extent unless it has expressly agreed in writing with the Customer in the particular case when providing information about the incentive that the incentive or part of it will be passed on to the Customer and how and on what terms the incentive will be passed on to the Customer. The Company reserves the right not to transfer any incentive received and Customers acknowledge that they will have no legal right to transfer the incentive. The Company informs Customers that if the Company accepts a particular benefit, such as a monetary benefit, from a third party, the Company will not transfer that benefit to the Customer. In the event that a Customer, in acquiring an investment, makes a certain monetary consideration to a third party, part of which is then received directly or indirectly by the Company as consideration and is accepted by the Company, the Company will not compensate the Customer for the consideration so incurred by the Customer.

22. Description of the procedures in place to limit the potential for conflicts of interest

The Company provides investment services to a wide range of Customers and cooperates with a number of business partners, therefore the threat of conflict of interest cannot be excluded. The Company therefore takes a number of measures in accordance with the legislation to minimise the risks arising from potential conflicts of interest. The Company seeks to identify all areas where conflicts of interest may arise. These areas include:

- relations between the Company, its officers, employees and tied agents on the one hand and Customers on the other hand,
- relations between Customers and each other.

In general, this is a situation where the Company itself, an officer, an employee or a tied agent has an interest in the outcome of the service provided to the Customer that is different or even conceptually opposed to the Customer's interest in the terms and conditions and outcome of that service. The general risk and content of a conflict of interest may be the interest of a service provider (e.g., a company) to gain financial benefit or avoid financial loss at the expense of the Customer, or the motivation of the service provider to put the interest of one Customer ahead of the interests of another Customer, etc. A possible area of conflict of interest is also a situation where the service provider is engaged in the same business as the Customer (i.e., they are in competition with each other), etc.

Measures taken by the Company to minimise the risks from potential conflicts of interest so as not to jeopardise the interests of the Company's customers include, in particular:

- organisational and administrative procedures to ensure that business between which there may be a conflict of interest is kept separate and that potentially sensitive activities are kept confidential;
- rules of conduct for officers, employees and tied agents which, inter alia, require officers, employees and tied agents to act in the interests of Customers;
- rules on dealing by directors, employees and tied agents in investment instruments for their own account or for the account of a close person;
- training of officers, employees and tied agents on the above requirements.

The Company informs Customers that it will provide details of these procedures to limit the possibility of conflicts of interest on a durable medium or via the website (subject to compliance with applicable law) at any time and free of charge upon Customer request.

23. Environmental and social sustainability

Sustainability risk means an environmental, social or governance event or situation that, if it were to occur, could have an actual or potential significant adverse impact on the value of the investment.

These risks, like other relevant risks in the context of investment advice, are incorporated by the Company into its investment advice primarily through appropriate product selection (taking into account the underlying assets) with an emphasis on professional care and customer protection. In this process, the Company relies on available data provided by the manufacturers of these products and other available information.

The Company then treats sustainability risks in the same way as other risks related to the value of the investment and its return. In addition to other preferences (investment objective, risk tolerance, loss-bearing capacity and the Customer's financial situation), Customer preferences in the area of sustainability are also ascertained in the provision of investment advice and the investments that best fit all the preferences identified are then recommended.

It is thus primarily and ultimately up to the Customer to decide whether, which, and to what extent, they are interested in taking sustainability risks into account when selecting an appropriate investment.

As part of the risk assessment, the Company also assesses the likely impact of sustainability risks on the return on investment, taking into account both the short- and long-term horizons. In both cases, the results are that the likely impact of sustainability risks on the value of the investment or on the terms of its return depends on many circumstances and cannot be reliably determined in any case.

The Customer has the right to enquire about the sustainability impacts and risks of a particular product and the Company will communicate these to the customer based on information from the producer.

24. Supervision

The Company's activities as an investment broker are supervised by the CNB, to which complaints can be lodged against the Company or its representative (see below for more information). Contact details of the CNB are: www.cnb.cz; Na Příkopě 28, 115 03 Prague 1, tel.: +420 224 411 111, Green Line: tel.: +420 800 160 170, Data box ID: 8tgaiej, e-mail: podatelna@cnb.cz.

25. Information on handling claims and complaints and out-of-court dispute resolution

Every Customer (especially potential Customers) has the right to file a complaint or claim (hereinafter referred to as a "claim"). There is no charge for the receipt and handling of a claim by the Company. Claims regarding the services provided or to the person acting for the Company may be made in person at the Company's registered office or by e-mail or in writing to the Company's contact e-mail address. Upon request, the Company will provide the Customer with binding rules for the resolution of complaints and claims in the form of the Complaints Procedure, which is also available on the Company's website.

If the Customer filing the claim or complaint is a consumer, they may contact the competent administrative authority for the so-called out-of-court dispute resolution in case of dissatisfaction with the resolution of their case. This administrative body is the financial arbitrator for financial services referred to in Act No 229/2002 Coll., on the Financial Arbitrator, as amended (e.g., for disputes relating to the offer, provision or mediation of investment services, life insurance, etc.). The Financial Arbitrator can be contacted free of charge via www.finarbitr.cz or at their address at Legerova 1581/69, 110 00 Prague 1. In cases where the Financial Arbitrator's competence is not available, the Czech Trade Inspection Authority may be contacted. Further contact information and an online submission form at www.coi.cz.

The Customer may also address their complaint to the CNB in matters relating to compliance with the prohibition on unfair practices, the prohibition on discrimination against consumers, the obligations and rules for information on the price of services and the method of their determination, the obligations set out in the Civil Code for the conclusion of distance contracts for financial services, etc. The CNB does not decide on the subject matter of the dispute. It examines the submission solely from the point of view of whether the legal provisions which the CNB supervises have been complied with. The CNB can be contacted via its website www.cnb.cz or at its registered office: Na Příkopě 28, 115 03 Prague 1.

Valid from: February 2026