

## MiFID II leaflet

Dear Client,

Expobank CZ a.s. (Expobank) would like to inform you that the legal and regulatory framework regarding transactions in financial instruments (such as securities, bonds and other investment products as well as derivatives and structured deposits) will be significantly changed as of January 2018.

Presently the related investment services are mainly subject to the requirements of the Act No. 256/2004 Coll., **Capital Market Undertakings Act** and connected delegated acts, but in January 2018 major changes of the applicable law will become effective.

These changes are due to the EU Directive 2014/65/EU (MiFID II), the EU Regulations 600/2014 (MiFIR) and 1286/2014 (PRIIPs), and a number of delegated regulations that will either be applicable directly or implemented in Czech Republic by the revised Capital Market Undertakings Act. In this document all above mentioned regulations are referred to as "MiFID II regulation".

This document is referred to as „ MiFID II leaflet“ and contains detailed explanations, consents and information we need from you before we can enter into transactions with financial instruments with you or perform any kind of investment service for you under the MiFID II regulation after **3rd January 2018**.

Information contained in this document already complies with the regulatory requirements of MiFID II regulation. We cannot exclude, however, that we will have to approach you again with additional or slightly amended documents.

Please read this document carefully and fill in the requested information in the appropriate places. Once the document is completed, please print it out, have the print-out duly signed and **IN CASE YOU WANT TO CREATE OR UPDATE THE PASSWORD FOR TELEPHONE COMMUNICATION, WITH A VERIFIED SIGNATURE (Czech point, notary)** on the last page and send it via post on the address:

**Expobank CZ a.s.**  
**Middle Office Treasury**  
**Vítězná 126/1**  
**PSČ 150 00, Praha 5**

You can also sign the MiFID II leaflet on Expobank branches; the contacts are available on the website of Expobank under <https://www.expobank.cz/domu/kontakty/#pobocky>.

If you do not want to create or update your password for phone communications, you can send us the MiFID II leaflet via email to [backoffice@expobank.cz](mailto:backoffice@expobank.cz).

In each section of this document we will explain the statements you make and the consents you give Expobank by returning a duly signed copy of this document to us.

## 1. Classification

We are required to categorize all clients with whom we conduct investment business and to classify each client as either a Retail Client or a Professional Client or as an Eligible Counterparty.

On the basis of information available to us we have already classified you as a Retail Client.

Under the applicable rules you are entitled to request a different classification, in order to benefit from a higher level of regulatory protections, including in respect of best execution.

By returning a duly filled-in and signed print-out of MiFID II leaflet to us you confirm the receipt of this confirmation of your classification as Retail Client.

## 2. Information by Expobank

Hereby you confirm your knowledge of the risks involved in trading the investment instruments, among others risk of fluctuation in value of the investment instrument, which might fall below the value of invested funds, or the foreign-exchange rates risk and other risks that have been disclosed by Expobank and that they are described in more detail in the document named Information on risks related to trading with investment instruments (*in Czech: Informace o rizicích spojených s obchodováním s investičními nástroji*) that is provided to you on Expobank's website: <https://www.expobank.cz/domu/osobni-bankovnictvi/investice/dokumenty-investovani/>

## 3. Other Information

Under applicable law Expobank is obliged to make available information related to its investment services and financial instruments to clients on a durable medium.

Besides other information you will receive reports on the services performed and the transactions in financial instruments agreed during the reporting period.

You have the right to receive such information on paper, but you can agree to receive the information on another durable medium, e.g. by email or on a website.

We hereby ask you to consent to information being provided electronically on Expobank's website or by email and to give us an email address for that purpose.

I agree with providing the information on the website of Expobank and via email.

Your email address:

## 4. Costs

Before services are performed or transactions concluded you need to be informed ex-ante on the costs and charges arising as a result of the services and transactions. Depending on the type of product and investment service such cost information will be provided in a standardized form or personalized. You will receive such information also ex post in regular intervals at least once a year.

When you enter into transactions with us (e.g. OTC derivatives) on the telephone or via other means of telecommunication and thus it is not possible technically to provide you with a cost information before the transaction, we can send you the cost information on a durable medium after the transaction is agreed. For this we need your consent. You have the option to postpone the transaction in order to receive the cost information before the transaction.

Product costs arising in connection with OTC derivative transactions and structured deposits are set out in the so-called Key Information Documents – KIDs which Expobank makes available primarily to its Retail Clients by publishing the links on Expobank's website <https://www.expobank.cz/>.

These KIDs are generic in respect of the relevant group or sub-group of such transactions as described on the website and set out the maximum costs that may arise depending on the client and the terms of the transaction. The Costs are specified as a percentage and an absolute amount calculated on the basis of an assumed notional amount.

Expobank will not charge any additional product costs or service costs in connection with OTC derivatives and structured deposits, unless you are informed otherwise.

By returning a duly filled-in and signed print-out of this document to us you

- a. confirm that you have taken note of the General Information on Transactions in Financial Instruments and the Financial Instruments Risk Disclosure published on the website of Expobank,
- b. give your explicit consent to receiving the information described above, including product cost information in KIDs, on another durable medium than paper (e.g. by email or a website),
- c. give your explicit consent to receiving cost information on a durable medium after a transaction is concluded on the telephone or via another means of telecommunication, and confirm that you have taken note of the option to postpone the transaction in order to receive the cost information beforehand.

I agree.

## 5. Transactions in Securities and other Investment Instruments

In connection with transactions in securities and other investment instruments Expobank would like to ask for your consent regarding the item set out below by checking the box:

We hereby consent to Expobank having the right to execute orders for financial instruments traded on a trading venue also outside a trading venue.

## Expobank does not offer investment advice related to financial instruments.

By returning a duly filled-in and signed print-out of this document to us you

- a. confirm that you have taken note of the information set out in this section, and
- b. give the consent set out above by checking the appropriate box.

## 6. Client's password for telephone communication – submitting trading orders

Please note that we need to know your password for telephone communication in order to be able to accept and execute your orders submitted by the telephone and execute transactions in financial instruments for you.

If you do not have a password for telephone communication or want to update your existing one and wish to submit telephone orders in future, please state the password for telephone communication hereunder:

Password:

The password will become valid within 10 workdays after the moment of duly filled-in and signed MiFID II leaflet delivery<sup>1</sup> to Expobank.

<sup>1</sup> The MiFID II leaflet is considered delivered 10<sup>th</sup> workday after posting the MiFID II leaflet or the 10<sup>th</sup> workday after submitting the MiFID II leaflet at any Expobank branch.

By returning a duly filled-in and signed print-out of this document to us you confirm that:

- a. you have taken note of the information set out in this section,
- b. you are aware of that fact that the password specified above will be valid from the date specified above.

I agree.

## 7. Miscellaneous

By returning a duly filled-in and signed print-out of this document to Expobank you confirm that you agree to the conditions, give the consents, take note of the warnings, and make the statements set out below:

### Recording of Telephone Conversations and other Electronic Communication

Expobank has to record telephone conversation and other electronic communication with clients related to providing investment services, esp. (potential) transactions in financial instruments.

Transactions in OTC derivatives and structured deposits are primarily discussed and concluded on the telephone, and such telephone conversations are recorded. You are entitled to get copies of such recordings and of records of other electronic communications within a reasonable time period to the extent they relate to (potential) transactions in financial instruments. Copies of such conversations have to be archived for a period of five years (period is calculated from the time of communication).

I hereby take note of the recording of such telephone conversations and electronic communications with Expobank and I explicitly consent to the use of such records as evidence in the event of any court or other proceeding resulting from a dispute in connection with any such transaction.

Information via Telecommunication: I hereby consent to receive information about current banking products from Expobank via means of telecommunication (telephone, fax, email, etc.).

### Acknowledgement of Account Balances

As of 31<sup>st</sup> December of each year the client will receive an account statement for each account maintained with Expobank. Unless the client objects in writing within six weeks, the balance shown on the account statement shall be deemed acknowledged and agreed by the client.

Date:

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Client: ..... Date of Birth: ..... Verified on behalf of the Bank: .....

Address: .....