

STORAGE OF BOOK-ENTRY SECURITIES

DISCLOSURE OF LEVELS OF PROTECTION AND COSTS

**UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.,
BRANCH OF FOREIGN BANK**

1. INTRODUCTORY PROVISIONS

1.1 UniCredit Bank Czech Republic and Slovakia, a.s., with registered office at Želetavská 1525/1, 140 92 Prague 4 - Michle, ID: 649 48 242, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, Entry 3608, performing banking activities in the territory of the Slovak Republic through the organizational unit of **UniCredit Bank Czech Republic and Slovakia, a.s., branch of a foreign bank**, with its registered office at Šancová 1/A, 813 33 Bratislava, ID: 47 251 336, registered in the Commercial Register of the Bratislava I District Court, Section: Po, File No.: 2310/B (hereinafter “UniCredit”) is a participant and member of Centrálneho depozitára cenných papierov SR, a.s., with its registered office at ul. 29. augusta 1/A, 814 80 Bratislava, ID: 31 338 976, registered in the Commercial Register of the Bratislava I District Court, Section: Sa, File No.: 493/B (hereinafter “CDCP”)

1.2 In accordance with Article 38, Par. 6 of the Central Depository Regulation¹, UniCredit publishing the protection levels and costs associated with the individual levels of segregation of accounts provided by UniCredit to its clients when it holds securities for them in the CDCP.

2. THE MAIN LEGAL EFFECTS OF INDIVIDUAL OFFERED LEVELS OF SEGREGATION

2.1 Account types in CDCP

The Securities Act² regulates the following types of securities accounts in which the CDCP may hold book-entry securities:

- (A) the owner’s account;
- (B) the member’s client account;
- (C) holder’s account.

2.2 Owner’s Account

2.2.1 For securities registered in an owner’s account, it is assumed that the owner of the securities is the person on whose behalf the owner’s account was opened. Under the Slovak Securities Act, the owner of securities is a person who has acquired securities under a contract or other legal act established by law and is registered as the owner of the security in the relevant register³, unless the Securities Act provides otherwise. The owner’s account can be set up in the CDCP or under a member’s client account. In both cases the aforementioned assumption applies to the securities owner.

2.3 The Member’s Client Account

2.3.1 A member’s client account is the account of a member on which CDCP keeps data on the securities the owners of which are registered. A member’s client account is not an owner’s account, i.e. the owner of the securities registered in the member’s client account is not the person on whose behalf the account was opened. Securities registered in this account are held by a member/ participant on behalf of third parties to establish the account of the owner in their records.

¹ Regulation of the European Parliament and Council 909/2014 of 23 July 2014 on improving the settlement of securities transactions in the European Union, Central Securities Deposit and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No. 236/2012

² Act No. 566/2001 Coll. on securities and investment services and on amendments and supplements to some acts

³ Registration according to Section 10, Par. 4 of the Securities Act

2.4 Holder's Account

- 2.4.1 The holder's account is the securities account of the person (Holder) on which CDCP keeps the data on the securities whose owners are kept by the Holder. The Holder is not the owner of the securities registered in the holder's account. This is a so-called holder's report. Information about the owner is kept by the Holder in his/her records, which he/she is required to keep in accordance with the legal requirements for the protection of financial instruments and the client's funds. The data on the owner of the securities are kept in the register under the law under which the Holder was established. In the case of UniCredit Bank, this is the legislation of the Czech Republic. <https://www.unicreditbank.cz/cs/ostatni/CSDR.html>
- 2.4.2 In the case of acts requiring the provision of data on the securities owner in the securities register, the securities registered in the holder's account shall be replaced by the data on the owner of the securities with the data on the Holder, stating this fact.
- 2.4.3 The CDCP may only establish a holder's account for the National Bank of Slovakia, a central depository or a foreign legal entity with a similar subject of business, possibly for a securities trader or a bank authorized to perform a holder's report or foreign trader of securities or a foreign bank authorized to perform similar services like a holder's report.

3. SEGREGATION LEVELS

- 3.1** UniCredit provides its clients with the possibility to set up and manage securities accounts representing at least the following levels of segregation:

- (A) aggregate client segregation or;
- (B) individual client segregation.

- 3.1.1 In all cases, UniCredit holds its own assets separately from client assets, regardless of the type of account offered.

3.2 Individual Client Segregation

- 3.2.1 The term "individual client segregation" is defined in Art. 38, Par. 4 of the Central Depository Regulation. If the client requests individual client segregation, UniCredit will:

- (A) **owner's account maintained on behalf of the client** with the purpose to hold the securities of given client, established under the UniCredit client account maintained by the CSCP
- (B) **holder's account** for a given client **maintained on behalf of UniCredit Bank**

- 3.2.2 Securities held on the aforementioned accounts 3.2.1. (A) and (B) are separated from UniCredit's own securities and are also separated from UniCredit's other clients' securities.

3.3 Aggregate Client Segregation

- 3.3.1 The term "aggregate client segregation" is defined in Art. 38, Par. 3 of the Central Depository Regulation. UniCredit will use aggregate client segregation if the client agrees or explicitly asks for the holder administration.

- 3.3.2 In the case of “aggregate client segregation”, UniCredit holds multiple-client securities on one holder’s account of the securities in the central depository. This means that the holder’s account will be used by UniCredit for the holding of securities by multiple clients in collective mode. UniCredit will not, however, hold or must not hold any of its own securities on the same aggregate account.
- 3.3.3 The holder’s account is established for UniCredit. As described above in par. 2.4.2., UniCredit will conduct its own follow-up records according to the law of the Czech Republic within which it establishes securities accounts for its clients.

4. THE LEVELS OF PROTECTION, APPLICABLE LEGISLATION ON INSOLVENCY

4.1 In general

- 4.1.1 In the event of UniCredit’s insolvency, insolvency proceedings will be governed by the legislation of the Czech Republic. In case of application of insolvency proceedings in relation to UniCredit, securities held within individual client segregation or aggregate client segregation do not form part of UniCredit’s assets and are not available to satisfy UniCredit creditors’ claims. In such a case, the liquidator in the insolvency is obliged to issue these securities without undue delay to UniCredit clients. However, Czech legislation does not stipulate any specific time span for such issuance of clients’ assets. Appropriate timing will therefore depend on the circumstances of each individual case as assessed by the liquidator in the insolvency.
- 4.1.2 Should an insolvency on UniCredit will be declared as CDCP’s participant, the client will have to enter into a contractual relationship with another participant of the CDCP in order to continue to maintain access to the CDCP (hereinafter referred to as the “new participant”). The reason is that the CDCP participant must not be insolvent.

4.2 Owner’s Account (par. 2.2)

- 4.2.1 If the securities are held in the CDCP on the owner’s account, the account holder has the highest degree of asset protection. Due to the fact that the given end-investor will be registered in the CDCP as an account holder, he/she will not be required to substantiate his/her claim on the securities held in that individual account.

4.3 The Holder’s Account Established for UniCredit (par. 2.3)

- 4.3.1 If the securities are held in the Central Depository on UniCredit holder’s account, these securities will need to be transferred from the holder’s account to a new securities account established for the client by the new participant.
- 4.3.2 In such a case, however, the holder’s account may also contain securities of other UniCredit clients if the securities of several clients are registered there. In accordance with the principles described in Par. 4.1, the UniCredit liquidator in the insolvency will treat each client as the owner of the securities that were assigned to the UniCredit holder’s account for each client in the follow-up UniCredit records.

5. COSTS: INDIVIDUAL CLIENT SEGREGATION AND TOTAL CLIENT SEGREGATION

- 5.1 This paragraph 5 states lists costs, that can be connected with total client segregation or individual client segregation and how they can differ on every level of segregation.

5.2 This disclosure of information provides an overview of the costs connected with different levels of segregation, however, it is not aimed to provide all information the client needs to make a decision about which type of account in CDCP to choose.

5.3 This disclosure of cost data is for information only and is not intended to provide any legal, regulatory, tax, investment, accounting, financial or other advice from UniCredit. This disclosure of cost data may not be used by any person or relied on for any legal, regulatory, tax, investment, financial, or other decision, nor to provide advice to any other person in this matter. It is necessary for the receivers of this disclosure to provide depending on their particular instructional and/or advisory services based on their own legal, tax or other relevant advisory resources. UniCredit is not responsible for any loss caused by the use of information provided in this disclosure.

5.4 UniCredit Fees

5.4.1 UniCredit fees are set out in a specific agreement between the client and UniCredit, depending on the extent of the investment services provided, the extent of the investment instruments provided by those services and the extent of the liability on the part of UniCredit. UniCredit fees may therefore vary depending on whether the client chooses to hold their securities in aggregate client segregation or individual client segregation, and further depending on the type of account the client chooses for management.

5.4.2 With the management of a specific type of securities account are connected costs and fees:

- (A) custody fee;
- (B) asset management fee;
- (C) transaction fees (including cancellation, adjustment, and repair fees);
- (D) Expenditure (for example, reimbursement of notarial fees or translation fees);
- (E) tax returns and fast tax refunds;

5.5 Costs of CDCPs and Other Third Parties

5.5.1 This disclosure of costs is based on the composition of the amounts charged by the CDCP and the date of that disclosure. The CDCP may change the composition of its charged amounts according to circumstances if it is duly authorized by the Central Depository regulation. The clients can find information regarding current CDCP fees on the CDCP website mentioned below in this par.

5.5.2 Fees associated with accounts maintained in the CDCP may vary depending on the type of account a person will choose and demands on the operational performance and monitoring.

5.5.3 There may be additional costs/charged amounts that the Central Depository (or third party) will pay in accordance with the circumstances and which will be charged to the client. However, these costs will not differ depending on the level of segregation chosen by the client.

5.5.4 The following is a link to the CDCP website of which UniCredit is a participant:

Centrálny depozitár	Link to the CDCP website
Centrálny depozitár cenných papierov SR, a.s.	https://www.cdcp.sk/
CDCP price list:	https://www.cdcp.sk/dokumenty/cennik/