

Dear client,

We would like to inform you this way about the legal changes connected with the implementation of the European Markets in Financial Instruments Directive, so-called „MiFID“, into the Czech legislation.

By implementing the European directives no. 2004/39/EC about the Markets in Financial Instruments Directive (MiFID) into the Czech legislation, primarily into law no. 256/2004 Coll. on conducting business on the capital market, new rules come in operation, concerning the trade with the investment tools (shares, bonds, etc.), securities of collective investment (investment trusts, etc.), money market instruments and derivatives.

The essential target of this new legislation is to increase your security as the dear investor and to harmonize it with the standards of the investors' protection in the whole European union. The stress is put on providing protection for clients according to their level of knowledge and experience in the investment sector. These rules bring you being the investor numerous positives.

According to this legislation, one of the new duties of the bank is to inform you as the client that on the basis of criteria determined by this legislation, we have classified you into one of the newly defined client categories. For such classification is relevant a degree of security which we are obliged to provide you within delivering the investment services. There are the following new categories:

- **non-professional client (e.g. most private persons)**, who is provided with **the highest possible safety level**,
- **professional client** (for instance banks, state, investment companies, pension funds, etc., or private persons exceptionally),
- **eligible counterparty**, where in most cases will be integrated clients from financial institutions groups.

You can contact your bank advisor or contact our free-of-charge line 800 133 444 when you require information on which category will be assigned to you or you require to be assigned to other category. Your request will be considered and if this request is possible under legal conditions, we might execute the change of categorization.

In the attachment of this letter we are sending you further information about duties that our bank has towards you as our client. This formation sums up the substantial changes which might influence our business relation.

Whereas we have already followed many principles of the new legislation, we will make the effort to make the implementation of the changes from the point of delivering our services as smooth as possible. Depending on the type of the service that you use, you might be asked to sign a new contract connected to investing or you might be contacted by your bank advisor.

In case of any questions do not hesitate to contact your bank advisor or call the free-of-charge line 800 133 444 or visit our website [www.volksbank.cz](http://www.volksbank.cz).

Best regards,

Volksbank CZ, a.s.