

Information on Tatra banka, a.s. and Provided Investment and Ancillary Services



Valid and effective as of 15 October 2018

Basic Information on Tatra banka, a.s.

Commercial name: Tatra banka, a.s.
Registered seat: Hodžovo nám. 3, 811 06
Bratislava I, Slovak Republic
Company ID No: 00 686 930
maintained with the Commercial
Register of the District Court
Bratislava I, Section Sa, Insert
No. 71/B
Swift code: TATRSKBX
Contact data: Tel. No: 02 59191000
E-mail: dialog@tatrabanka.sk
(hereinafter referred to as the "Bank")

Terms and Definitions

Securities (S)

Booked securities registered in the central depository of securities established pursuant to the Act and/or securities issued outside the territory of the Slovak Republic in booked or similar form and/or TAM participation certificates.

Investment account

Securities custody (other than TAM participation certificates) established and maintained by the Bank for the client pursuant to § 6 (8) Act.

Act

Act No. 566/2001 Coll. on Securities and Investment Services and on amendment to certain acts as amended.

TAM participation certificates

Participation certificates issued by TAM.

TAM

Tatra Asset Management, správ. spol., a. s., Hodžovo námestie 3, 811 06 Bratislava, Company ID No: 35 742 968, maintained in the Commercial Register of the District Court Bratislava I, Section Sa, Insert No. 1689/B.

RCB certificates

Certificates issued by RCB.

RCB

Raiffeisen Centrobank AG, Tegetthoffstrasse 1, A-1010 Wien, Austria acting directly or by means of its branch Raiffeisen Centrobank AG Slovak Branch,

foreign bank branch, Hodžovo nám. 3, 811 06 Bratislava, Company ID No. 50 875 621, maintained with the Commercial Register of the District Court Bratislava I, Section Po, Insert No. 3979/B.

Management S

Participation certificates and similar S issued by RKAG and/or similar S issued by other person (other than TAM participation certificates).

RKAG

Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Mooslackengasse 12, A-1190 Wien, Austria.

RBI bonds

Bonds issued by RBI.

RBI

Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Wien, Austria.

For other terms and definitions set forth in this document the terms and definitions used in the respective contract documents governing the respective contract relationship between the Bank and the client will apply.

License for provision of investment services granted to the Bank

The National Bank of Slovakia with its registered seat at Imricha Karvaša 1, 813 25 Bratislava, Slovak Republic granted the Bank a license for provision of investment services pursuant to the Act. The particular scope of the license is available for inspection on the National Bank of Slovakia's website: www.nbs.sk. The National Bank of Slovakia supervises the activities of the Bank.

Language of communication between the client and the Bank

The client may use Slovak in business contact with the Bank.

Likewise, the client obtains from the Bank all documents and other information in Slovak, except for some detail information on acquisition, sale, execu-

tion of pre-emption rights or any other corporate action which represents a transaction with securities in the investment account (e.g. splits of shares, takeover of shares, conversions, dividends in form of shares, etc.), which will be available to the clients in English.

Forms of communication between the client and the Bank

Orders of clients for procurement of purchase or sale of Securities

Any orders for procurement of purchase or sale of securities submitted by clients to the Bank at its branches may be made solely in a written form.

The clients to whom the Bank provides the electronic banking services under the relevant contract may submit the orders for procurement of purchase or sale of TAM participation certificates also via Internet banking on the Bank's website: <https://moja.tatrabanka.sk/cgi-bin/ibanking/start/ibanking.jsp?lang=sk> These clients may submit the orders for procurement of purchase or sale of securities also via telephone by means of DIALOG Live contact centre in connection with the electronic form via Internet banking of the Bank.

The clients with whom the Bank communicates via its employees under the respective contract who work at the Private Banking Division of the Bank (hereinafter referred to as the "Private Clients") may give orders to the Bank for procurement of purchase or sale of securities (except for TAM participation certificates) in a written form, by telephone or electronically by means of the mobile application MobileSign. In case of TAM participation certificates a Private Client may give such order to the Bank in a written form or the Bank executes and gives such order for a Private Client in a written form pursuant to a telephone order of a Private Client.

The clients with whom the Bank communicates via its employees under the respective contract who work at the Capital Markets Division of the Bank (hereinafter referred to as the "CM Clients") may give orders to the Bank for procurement of purchase or sale of securities (except for TAM participation certificates) by telephone. In case of TAM participation certificates

the Bank executes and submits for a CM Client such order in a written form under a telephone or written order of a CM Client.

Client's instructions for receipt or delivery of securities to/from the investment account:

Any instructions for receipt or delivery of securities to/from the investment account and instructions for handling the corporate actions may be given by the clients to the Bank in a written form or via the Swift system.

The Private Clients may submit the instructions to the Bank for receipt or delivery of securities to/from the investment account of the same Private Client (transfer of securities) and instructions for handling the corporate actions also by telephone.

The CM clients may submit the instructions to the Bank for receipt or delivery of securities to the investment account and instructions for handling the corporate actions also by telephone.

Conclusion of a trade in derivative financial instrument:

The CM clients may contact the Bank for the purpose of conclusion of a trade in derivative financial instrument by telephone and in case of conclusion of a Tatra Premium Deposit trade and similar trades, also in a written form.

Client's requests for opening the investment account:

The investment account can be opened upon a written request of the client for opening the investment account or upon a telephone request of the client for opening an investment account via DIALOG Live contact centre in connection with the electronic form via Internet banking of the Bank.

Client's requests for opening the account for TAM participation certificates registration:

Opening the account for TAM participation certificates registration is possible under a written application of the client for opening an account, electronic request of the client for opening an account via Internet banking of the Bank or under a telephone request of the client for opening an account via DIALOG Live contact centre in connection with the electronic form via Internet banking of the Bank.

Character of information, frequency and periods for provision of information by the Bank to the client

Transaction statements after execution of client's orders for procurement of purchase or sale of securities or after execution of client's instruction for receipt or delivery of securities:

The Bank sends a transaction statement to the client on the first business day following the execution of the client's order for procurement of purchase or sale of securities or after the execution of the client's instruction for receipt or delivery of securities. If the Bank received a confirmation of the execution of the client's order for procurement of purchase or sale of securities from a third party, the Bank sends the client the transaction statement not later than on the first following business day after the Bank had learnt about the execution of the respective order.

In case of client's orders for procurement of purchase of TAM participation certificates which are executed on a regular basis (Savings Programme or Savings Programme PLUS) the Bank will send the client the transaction statement for the 6 calendar months at the beginning of the following 6 calendar months.

Information and statements of holdings for clients in connection with the investment account:

The Bank sends the statement of holdings from the investment account to the client immediately after the respective calendar quarter ends. The Bank sends the statement of holdings from the account for TAM participation certificates registration to the client immediately after the respective calendar year ends.

Detail information on individual pre-emption rights and other corporate actions representing an obligatory transaction with securities in the investment account (e.g. split of shares, takeover of shares, conversions, dividends in form of shares, etc.) upon which the client can give the Bank a specific instruction for handling thereof will be available to the clients not later than by two business days following the day the Bank learns about them, and that in English on Bank's website www.tatrabanka.sk. The Bank is entitled to notify the client about the corporate actions set forth in the previous sentence also in a written form or by telephone.

Confirmations and statements of holdings for clients in connection with derivative financial instruments:

The Bank sends a confirmation about the trade in derivative financial instruments to the client usually on the first business day after the trade was concluded. The Bank sends a statement of holdings from the registration of derivative financial instruments to the client immediately after the end of the calendar quarter.

Information about costs and associated fees connected with the provided investment and ancillary services:

The Bank sends a report of costs and associated fees connected with the investment account to the client immediately after the respective calendar year ends. The Bank sends a report of costs and associated fees connected with the investment in TAM participation certificates to the client immediately after the respective calendar year ends. The Bank sends a report of costs and associated fees connected with the investment service entitled "trading on own account" and the ancillary service entitled "trading in foreign exchange values connected with trading on own account" provided in relation to the derivative financial instruments and/or securities (except for TAM participation certificates) at the Capital Markets Division of the Bank to the client immediately after the respective calendar year ends.

Information about depreciation of value of leveraged financial instruments:

According to the article 62 (2) of the commission delegated regulation (EU) 2017/565 the bank informs the client, where the initial value of leveraged financial instruments depreciates in currency of financial instrument by 10% and thereafter at multiples of 10%. Warning on depreciation of the value of leveraged financial instruments is sent by the bank at the latest at the end of the business day in which this situation occurs. The initial value of the leveraged financial instrument is appreciated by the most actual closing market price which is available in internal banking systems. The initial value of the leveraged financial instrument represents the value of the leveraged financial instrument without a fee for realization of its purchase as of the day when the client bought it. If the depreciation of the initial value of the leveraged financial instrument occurs during the non-business day, the bank will send the warning at the end of the next business day at the latest.

Agents

In connection with its investment and ancillary services pursuant to the Act, the Bank currently does not use the services of any independent financial agent or escrow financial agent or escrow investment agent pursuant to the Act No. 186/2009 Coll. on Financial Intermediation and Financial Advice and on amendments and supplements to certain acts, as amended, which means that in connection with its investment and ancillary services pursuant to the Act it has concluded no contract or any other relationship with such persons.

Investment account – information and risks

The client's securities the client entrusted to the Bank in the investment account may be held on behalf of the Bank with a third party (hereinafter referred to as the "Custodian"), and that also in a collective account for several clients of the Bank, however, always separately from the Bank's securities and Custodian's securities via differently marked accounts in the Custodian's records.

The Bank does not deposit the securities held in the client's account with the Custodian in a non-member state of the European Union where legal regulations do not regulate possession and custody of securities in an account of a third person. However, the Bank warns that the securities held in client's account in the investment account which are deposited with the Custodian in a member state of the European Union could be deposited by the Custodian with another person in such non-member state of the European Union provided it is required by the character of those securities or investment or ancillary services related to these securities, while the accounts in which the client's securities are recorded in such case are subject to the legal regulations of the respective non-member state of the European Union and the rights of the clients connected with such securities may differ.

The Custodian may have a pledge or other security right over the client's securities or the right to offset the receivables in connection with the client's securities.

The Bank is liable to the client for returning all client's securities entrusted by the client to the Bank to the investment account. The Bank is liable to the client in

compliance with the generally binding legal regulations also for action or omission of the Custodian or for any consequences of the Custodian's insolvency.

For the purpose of properly and thoroughly maintained records of securities in the investment account and for the purposes of eliminating the risks connected with maintaining the records of securities in the investment account and protection of the client's securities entrusted by the client to the Bank to the investment account, the Bank maintains records of securities for each client as the end holder of securities separately, and for such purposes, the Bank makes, in each business day, records of receipt or delivery of securities to/from the investment account, performs regular reconciliation of records and positions of the securities in the investment account, and immediately after the relevant calendar year ends, the Bank will send the statement of holdings from the Investment account to the client.

The Bank established a position of a Safeguarding Officer pursuant to the Act in order to protect the client's financial instruments the Bank holds. In particular, a Safeguarding Officer:

- verifies whether the Bank has pledged or lent or otherwise handled the client's securities without client's consent, whether in Bank's favour or in favour of a third party, and in case of client's consent, whether all the provisions pursuant to the Act were observed
- verifies whether the Bank thoroughly separates client's securities from the securities of the Bank and other clients
- verifies whether the Bank performs selection and periodical assessment of the selected Custodians with proper care.

Protection of clients pursuant to the Act and the Investment Guarantee Fund

The Bank participates in protection of the clients according to the Act on Client Protection and pays for this purpose pursuant to the Act contributions to the Investment Guarantee Fund (hereinafter referred to as the "IGF"). The main task of the IGF is to provide a compensation determined by the Act to the clients determined by the Act for the client assets determined by the Act, if the assets become unavailable in

consequence of inability of the provider of investment services or ancillary services to meet their obligations.

According to the Act, the Bank publishes at its commercial premises information on protection of clients pursuant to the Act in Slovak, including the general commercial terms and conditions for provision of compensations granted by the IGF.

Upon request, the Bank will provide to the client further, more detailed information on the system of protection of clients according to the Act and the IGF.

Conflict of interests

As an entity with its business activities on the financial market, the Bank is active in a wide spectrum of activities. It means that under certain circumstances the Bank's interests can get into conflict with client's interests or with interests of Bank's obligations to the clients. Such conflicts may arise between the interests of the Bank itself, its cooperating business partners or employees on one side and the interests of the client or several clients on the other side. Therefore, the Bank applies effective measures in order to avoid conflicts of interests, and in case of occurrence thereof, measures required for resolution thereof.

Such measures include for instance:

- the independent system of internal controlling mechanisms,
- the system of regular professional training of employees,
- appointment of the persons responsible for observance (compliance), risk management and internal audit.

The Bank has also adopted and applies effective organisational and personal measures for control of the flow of information in connection with protection of the clients' interests and with the aim to prevent any unreasonable access to the information relating to the client.

In some cases, such measures to avoid conflict of interests need not be sufficient. In such cases, the Bank adopts additional adequate measures in order to eliminate consequences, if any, arising from the

conflict and inform the client in due time about the essence of the conflict.

Upon request, the Bank will provide to the client detail information on the measures in case of conflict of interests.

Payments received by the Bank

In connection with its investment and ancillary services pursuant to the Act, the Bank receives the below monetary payments and minor non-monetary benefits with the aim to increase and improve the quality of its services for clients and these monetary payments and minor non-monetary benefits are made by the issuers of the below securities or other third parties and do not prevent the Bank from acting in compliance with the principle of fair business relations, with due diligence and in the interests of its clients:

Monetary payments:

Managed securities

Commission equal to a portion of the management fee.

RCB certificates

In case of RCB Certificates commission can amount to max. 3% from the transaction volume.

RBI Bonds

In case of selected RBI Bonds commission can amount to max. 3% from the transaction volume.

Minor non-monetary benefits:

Securities and derivative financial instruments

Information or documents related with these financial instruments. Materials consisting of for example short market comments or of information about coming issues or events which are provided by the third party and which contain only short summary of its own opinions on such information.

Participation in conferences, seminars and other trainings related with these financial instruments.

The Bank accepts no other monetary payments and non-monetary benefits from the third person in connection with its investment and ancillary services pursuant to the Act, except for the above monetary payments and minor non-monetary benefits unless the Bank informs the client separately about other facts in connection with the respective investment or ancillary service pursuant to the Act.

Payments made by the Bank

The Bank makes no monetary payments or non-monetary benefits to third persons in connection with its investment and ancillary services pursuant to the Act unless the Bank informs the client separately about other facts in connection with the respective investment or ancillary service pursuant to the Act.

Terms and conditions for provision of the investment service of investment advice:

The Bank provides the investment service of investment advice to the Premium Banking clients and Private Clients, and that at personal meetings with the client or via its DIALOG Live contact centre in connection with the electronic form via Internet banking of the Bank.

Investment advice for Premium Banking clients:

Investment advice is provided to the Premium Banking clients on non-independent basis. Investment advice is based on a more detailed analysis of financial instruments which include TAM participation certificates, bonds issued by the Bank and RCB certificates. The Bank, TAM and RCB are members of the RBI banking group. The Bank will not provide the Premium Banking clients with regular assessment of suitability of the specified financial instruments.

The Bank provides the investment advice to the Premium Banking clients via the Premium Way application while the client receives a document with a personal investment recommendation for signing. Prior to providing the investment advice to the Premium Banking clients the Bank executes with the client a suitability test for the purpose of assessment of suitability of the financial instruments for the client and subsequently recommends the client one or several financial instruments the client can invest their funds into. The Bank considers the following at the assessment of suitability of financial instruments:

- whether the client has necessary knowledge and experience which allow the client understand the risks related with the financial instruments,
- whether the financial instruments correspond with the investment goals of the client, including client's tolerance towards risk,

- whether the client is financially capable of bearing all related investment risks which correspond with the investment goals of the client.

When assessing the suitability the Bank analyses the data which are applicable as at the previous day or older, especially as far as client's financial situation is concerned. The Bank provides recommendation solely for purchase of the financial instruments or regular saving in the financial instruments exclusively to the owner of the funds.

Investment advice for Private clients:

Investment advice is provided to Private clients on non-independent basis. Investment advice is based on an analysis of a broad spectrum of financial instruments which include TAM participation certificates, management securities including EFT (exchange traded funds), bonds issued by the Bank, RBI bonds and other bonds, RCB certificates and other investment certificates. The Bank, TAM, RCB and RKAG are members of the RBI banking group. The Bank will not provide the Private clients with regular assessment of suitability of the specified financial instruments.

The Bank provides the investment advice to the Private clients via the Financial Advisory Tool application while the client receives an advisory protocol with a personal investment recommendation for signing.

Prior to providing the investment advice to the Private clients the Bank executes with the client a suitability test for the purpose of assessment of suitability of the financial instruments for the client. The Bank considers the following at the assessment of suitability of financial instruments:

- whether the client or the person authorised to act on behalf of the client has necessary knowledge and experience which allow them understand the risks related with the financial instruments,
- whether the financial instruments correspond with the investment goals of the client, including client's tolerance towards risk,
- whether the client is financially capable of bearing all related investment risks which correspond with the investment goals of the client.

When assessing the suitability the Bank analyses the data which are applicable as at the previous day or older, especially as far as client's financial situation is concerned. After assessment of suitability of the financial instruments for the client the Bank recommends optimal allocation of client's assets to the Client. The Bank provides the investment advice regarding the suggested optimal allocation of client's assets at least once a year. If no personal meeting with the client regarding update of the assessment of suitability of the financial instruments was held with the client in the last 12 months, the Bank sends the client a message on suggested optimal allocation of client's assets based on the latest information. Such message contains a comparison of the current allo-

cation of client's financial assets registered in the Financial Advisory Tool application with the allocation of financial assets recommended by the Bank in compliance with the suitability test for the client. The Bank provides the investment service of investment advice to the holder of funds who can be represented by another authorised person. In terms of providing the investment advice the Bank provides the client with regular reports on the performance of client's financial assets registered in the Financial Advisory Tool application.

The Bank does not provide any clients with the investment service of portfolio management pursuant to § 6 par. 1 (d) Act.