

CUSTOMER CATEGORISATION PRINCIPLES

**of the
company**

ZENIT kapital o.c.p., a.s.

**Panenská 5, 811 03 Bratislava, Company ID:
35,931,949**

**Business register kept by the District Court Bratislava I, Section: Sro, Insert
No: 3577/B**

ARTICLE I CUSTOMER CATEGORISATION

Section 1 Professional Clients

1. **Professional clients** are the clients who have professional knowledge, experiences and skills to make their own decisions on investments and for proper evaluation of risks connected therewith.
2. The following shall be considered as professional clients:
 - a) Securities trader, foreign securities trader, financial institution, trader in commodities and commodity derivatives, person according to provision Art. 54 par. 3 letter j) and person who has authorisation to execute its activity on the financial market from the competent authority or its activity is separately regulated by the generally binding legal regulations,
 - b) Large business company meeting at least two of the following conditions on an individual basis:
 - Total amount of its property exceeds EUR 20,000,000.00,
 - Net annual turnover exceeds EUR 40,000,000.00,
 - Its own sources exceed EUR 2,000,000.00,Should the Client fail to provide the company's balance sheet completed as of 21/12 of the previous calendar years for the purpose of categorisation by the Company, the Company shall categorise the Client or potential client as a non-professional (retail) client.
 - c) State authority, municipality, higher territorial unit, Debt and Liquidity Management Agency, other country's authority authorized or participating in the state debt management, National Bank of Slovakia, other country's central bank, International Monetary Fund, European Central Bank, European Investment Bank and other similar international organizations,
 - d) Legal entity not listed in letters a) to c), the main scope of business of which is the investment into financial instruments, including the legal entity, which performs transformation of loans and credits to securities or other financing transactions,
 - e) Person, who can be treated, at their own request, as a professional client, if such person meets at least two of the following conditions:
 - i) In the previous four quarters, the Client executed on the relevant financial instrument market in average ten significant deals in financial instruments per quarter, with a significant deal meaning a deal in financial instruments with volume exceeding EUR 6,000, and the relevant market meaning the regulating market, multilateral trading facility or

- unorganised market accepting the financial instruments, in relation to which the investment services for such Client are provided or are to be provided,
- (ii) Size of the portfolio including the financial instruments and monetary deposits exceeds EUR 500,000,
 - iii) At least for one year has been executing or executed, in connection with the performance of their employment, occupation or office, the activity in the field of financial market in a position requiring the knowledge of deals or investment services provided or to be provided for such person,
- and at the same time, if:
- The Company evaluates the professional knowledge, experience and skills of the client and issues written statement that these provide adequate guarantee that considering the nature of the transactions planned or the provision of investment services or auxiliary services, the client is able to make their own decisions on investments and understands the relevant risks related therewith,
 - this person has declared to the Company in writing, that they require to be treated as a professional client, in particular in relation to one or several investment services or auxiliary services or to a single or several types of financial instruments or transactions,
 - The Company provided this person unambiguous written notice on the possibility of losing the rights for protection and rights for compensation,
 - This person has stated in writing, in a document separate from the contract that they are aware of the loss of rights under the previous paragraph.
3. If the client is a person under point 2. letters a) to d), of this Article, before providing any service, the Company is obliged to inform them about the fact that based on the information available, the Company considers this client or potential client as a professional client and will treat them that way, unless agreed otherwise. At the same time, the Company shall inform the Client that concluding any agreements, they may ask to be treated as Non-professional (retail) Clients.
 4. Professional client is obliged to inform the Company about any change possibly affecting their current classification in the professional client category. Should the Company obtain information that the Client no longer meets the initial conditions making them eligible for the classification as Professional Client, the Company shall be obliged to adopt measures necessary for reclassification to another category. In the event that the Client fails to fulfil this obligation without undue delay, until the time of communication of the said change by the Client, the Company shall not be responsible for any possible damage occurring to the Client in relation to the provision of services or execution of trade, transaction within their categorisation as a Professional Client.
 5. In the event of doubts whether or not the Client meets the conditions for classification into the Professional Clients category, the Company shall be obliged to ask them for providing information needed for the assessment of the Client's classification into the Professional Clients category and carry out reassessment.

Section 2

Eligible Counterparty

1. Within the investment services provision, receiving and forwarding the Client's order regarding one or several financial instruments and the service of executing the Client's order on their own account, the Company shall be entitled to start and conclude deals with entities classified into the category of Clients as an eligible counterparty.

2. For the purposes of concluding the said deals, an **eligible counterparty** shall mean:
- a) Securities dealer or foreign securities dealer, b) Bank or foreign bank,
 - c) Insurance company, foreign insurance company or insurance company from another member state,
 - d) Asset management company, foreign asset management company, mutual fund, European mutual fund, foreign investment firm or foreign mutual fund,
 - e) Pension fund management company, supplementary pension company, pension fund, supplementary pension fund, similar foreign companies and funds,
 - f) Other financial institution authorized or regulated under the law of the European Union or a Member State,
 - g) Person mentioned in Article 54 par. 3 letters i) and j) Act on Securities, i.e.:
 - Operators who are obliged to comply with the provisions of a separate regulation (Act No. 414/2012 Coll. on Emission Trading and on changes and supplements to some Acts as amended), who in emission trading do not execute the Clients' orders and do not provide any investment services or do not carry out any investment activities apart from trading on their own account, unless they use the method of high-frequency algorithmic trading,
 - Operators of a transmission system or transport network according to separate regulations (such as the Act No. 251/2012 Coll. on Energy and on changes and supplements to some acts as amended, and other), other regulations or guidances in the area of network industries adopted based on these regulations, for any person acting on their behalf as the service provider for the purposes of performance of their tasks according to the said regulations or guidances and for any operator or administrator of a mechanism for balancing energy variations, network or system needed for maintaining a balance of supplies and the use of energy in performing such tasks, only if they also carry out investment activities or provide investment services related with commodity derivatives with the aim to carry out the said activities when carrying out the aforementioned activities; this does not apply to organising a secondary market including the system for secondary trading in financial transmission rights,
 - h) Public authority of the Slovak Republic or another country, including the Debt and Liquidity Management Agency authorised to execute some activities relating to the state debt and liquidity administration under separate regulation (Act No. 386/2002 Coll. on the national debt and state guaranties, amending the Act No. 291/2002 Coll. on State Treasury and on changes and supplements to some acts) and the authority of another country authorised or participating in the public debt administration,
 - i) National Bank of Slovakia or other national central banks, and the European Central Bank,
 - j) International organization,
 - k) Professional Client as referred to in Art. 8a par. 2.letters a) to c) Act on Securities, unless already mentioned in letters a) to j),
 - l) Professional Clients as referred to in provision of Art. 8A par. 2 letter e) Act on Securities, at their request, only in respect of the investment services or auxiliary services or transactions for which that client could be treated as a Professional Client.

3. In relation to Eligible Counterparties, the Company is obliged to act fairly, justly and professionally and to communicate with them in a clear, transparent and not misleading way, with respect to the nature of the eligible counterparty and its activity.
4. Prior to concluding a deal with an Eligible Counterparty, which is an entity referred to in par. 5 letters k) and l) hereof, the Company shall be obliged to obtain from such entity as the future counterparty an agreement with being treated as an Eligible Counterparty. Such confirmation may be issued for all deals or for individual deals only.
5. When carrying out deals with an Eligible Counterparty, the Company does not have obligations regarding the provision of information, statements or obligation to carry out evaluation of suitability and adequacy of the transaction, which results from the very categorisation of this entity as an Eligible Counterparty, assuming they have experience and knowledge in the investment service area. However, the Company can fulfil these obligations towards an Eligible Counterparty if the Company considers this as needed, appropriate, efficient or effective considering the deal concluded or services provided.
6. An Eligible Counterparty is provided individual reports, statements or notifications about the services provided. In this case, however, the Company can conclude a contract (agreement) with such Client in order to determine the content and timing of the reports. Through such contract (agreement), the Company and the Eligible Counterparty shall agree and determine a specific content, frequency and timing of the reports and outputs also containing individual notifications, different from the ones applying to Non-professional (Retail) and Professional Clients. Unless there is a separate contract (agreement) regulating the provision of reports and outputs concluded, the same requirements shall apply as in provision of reports and outputs to Non-professional (Retail) and Professional Clients.

Section 3

Non-professional (Retail) Client

1. **Non-professional (Retail) Client** shall mean a client who does not meet the criteria for classification into the category of Professional Clients or Eligible Counterparty under the Section 2 or 3 hereof regarding the provision of investment services, auxiliary services, financial instruments or carrying out transactions.
2. Non-professional (Retail) Client usually is not able to properly review or manage the risks connected with the relevant investment service, auxiliary service, financial instrument or transaction, therefore, the Company provides such Clients with the highest level of protection in terms of provision of any information about services, fees, risks and other facts having impact on the service provided in the full extent requested by the Act on Securities.

ARTICLE II

DECISION ABOUT CLASSIFICATION OF A CLIENT INTO THE RESPECTIVE CATEGORY

1. Before concluding a contractual relationship with the Client or for the duration of the agreement concluded with the Client in the previous period, the head of Investment Services Department or Consulting Department shall verify the option of classification of the Client into the respective category. Before concluding an agreement, the Company shall discuss with the Client the proposal for classification into the respective category and inform them about the option of classification into another category based on their request.

2. Clients shall be classified into one of the categories based on the assessment of their knowledge, experiences in relation to the specified investment services, auxiliary services, financial instruments to be provided as well as in relation to the transactions and deals, the Company will carry out for the Client. At the same time, within such assessment, depending on the future service provided, the Client's financial situation shall be reviewed, including their ability to bear the loss, their investment goals and the Client's risk profile. The Client's risk profile shall be reviewed mainly in relation to their ability to bear the risk connected with the service provided and its return, which shall be assessed in relation to the individual financial instruments connected with the service provided. For the purposes of better understanding and introduction in terms of the risk connected with the particular investment, the Company can provide the Client with an illustrative example about the scope of loss in the event of poor result of the transaction or deal.
3. Classification of a Client into the respective category shall be approved by the head of Investment Services Department or Consulting Department with respect to the service, in relation to which the categorisation is carried out. Based on such decision, the Client is provided the following documentation on durable media prior to providing an investment service:
 - **Decision about classification of a Client into the respective category**

Containing the decision about classification of a Client into the respective category (Professional Client, Non-professional (Retail) Client, Eligible Counterparty) and the exact specification, to which investment services, deals or financial instruments does such classification refer to considering the assessment made.
 - **Information about the Client's option to request classification into another category**

Containing information about the options and conditions of classification of the Client into another category based on their request and agreement with the Company; at the same time, it contains warning about the possibility of losing the rights for protection and compensation related with classification into the category of Professional Client or Eligible Counterparty.
 - **Information about change of data**

Containing notice that the Client is obliged to inform the Company about any change possibly affecting their current classification in the respective category; should the Company obtain information that the Client no longer meets the initial conditions authorising them for classification into the respective category, the Company shall decide about classification of the Client into another category. This information shall also contain a warning for the Client that the Company is not liable for possible damage occurring to the Client in the event of carrying out transactions and deals within the current categorisation, until the Company is communicated changes possibly having impact on the change of their categorisation.
 - **Request for the Client's written consent**

Professional Client and Eligible Counterparty have to provide their written consent with classification into the respective category (without such consent, the Company must not provide the Client with an investment service).

**ARTICLE III
CHANGE OF THE CLIENT
CATEGORISATION**

1. The Company can, in its own initiative or at the Client's request, change their categorisation within the individual determined client categories. Should the Company do so in its own initiative, when acting according to due professional care in the Client's interest, the Company shall inform the Client about this on a durable medium, along with justification of such change and any relevant information linked to the change of categorisation in question.
2. The Client can ask the Company to change the categorisation. All the requests for a change of categorisation shall be submitted on the Company's forms. Change of categorisation shall occur based on delivery and take-over of a written notice of the Company about acceptance of the Client's request to change the categorisation or based on a written agreement about the change of categorisation concluded with the Client.
3. If a Client was categorised as an **Eligible Counterparty**, they have the right to ask the Company in general or in individual deals to be treated as a Professional or Non-professional (Retail) client. Such consent may be granted to the Company in form of general consent to all deals or individual deals only. Unless the Eligible Counterparty expressly asks in a request to be treated as a Non-professional (Retail) Client, the Company will treat such Eligible Counterparty as a Professional Client. However, if such Eligible Counterparty asks expressly to be treated as a Non-professional (Retail) Client, the provisions of Art. 8a Act on Securities regarding the request for being treated as a Non-professional (Retail) Client shall apply.
4. If a **Professional Client** according to provision of Art. 8a par. 2 letters a) to d) Act on Securities concludes that they are not able to duly review or manage the risks related with the relevant investment service, auxiliary service, financial instrument, transaction or deal, they can ask the Company to be treated as a Non-professional (Retail) Client. Such treatment shall be provided based on a written contract between the Client and the Company, stating that such person will not be treated as a Professional Client when applying the rules for performing activity in relation to Clients; the contract shall also state whether this applies to a single or to several investment services, auxiliary services, transactions or to a single or several types of financial instruments or deals.
5. The Professional Client shall be entitled to exercise the right to be treated as a Non-professional (Retail) Client through a request for change of categorisation of a Professional Client to Non-professional (Retail) Client, where the Professional Client shall determine, whether they request to be treated as a Non-professional (Retail) Client for a specific investment service or for any future investment services. The Company shall be obliged to examine the said request for any necessary requisites, in particular determination of the scope of services, instruments, transactions or deals, the change of categorisation is supposed to apply to. Should the Company approve the Client's request for reclassification into the category of Non-professional (Retail) Client, through this reclassification, the Client shall acquire the rights for protection provided to Non-professional (Retail) Clients within provision and execution of services, instruments, transactions and deals.
6. A person who asked the Company under Art. 8a par. 2 letter e) Act on Securities to be treated as a Professional Client, can also ask the Company to be treated as an Eligible Counterparty in relation to the investment services, auxiliary services, financial instruments, transactions or deals where they can be considered as a Professional Client. The same entitlement belongs to a person who is a Professional Client under Art. 61A par. 2 (a) to (c) Act on Securities. In the said cases, the following procedure has to be observed:

- a) The Company shall provide such Client with a clear written warning of consequences of such request for the Client, including the types of protection, they can lose in the position of an Eligible Counterparty,
 - b) The Client shall confirm in writing that they agree to be treated as an Eligible Counterparty, either in general or in connection with a single or several investment services, auxiliary services, financial instruments, transactions or deals and also confirm that they are aware of the consequences, including the protection they can lose as a result of their request.
7. If a Client was classified as **Non-professional (Retail) Client**, they can also ask for a change of categorisation to Professional Client, if at least two of the conditions below have been met; the Client shall prove the meeting of such conditions to the Company without any doubts:
- (i) In the previous four quarters, the Client executed on the relevant financial instrument market in average ten significant deals in financial instruments per quarter, with a significant deal meaning a deal in financial instruments with volume exceeding EUR 6,000, and the relevant market meaning the regulating market, multilateral trading facility or unorganised market accepting the financial instruments, in relation to which the investment services for such person are provided or are to be provided,
 - (ii) Size of the portfolio including the financial instruments and monetary deposits exceeds EUR 500,000,
 - iii) At least for one year has been executing or executed, in connection with the performance of their employment, occupation or office, the activity in the field of financial market in a position requiring the knowledge of deals or investment services provided or to be provided for such person,
- and at the same time, if:
- The Company reviews the professional knowledge, experiences, information of the Client as well as their ability to bear loss and risk, financial situation, investment goals regarding the service, instrument or deal, in relation to which they ask for a change of categorisation and issue a written statement that they provide adequate guarantee that considering the nature of the planned deals or provision of investment services, auxiliary services or financial instruments, the Client is able to make their own investment decisions and understands the relevant risks connected therewith,
 - Declare to the Company in writing, that they require to be treated as a professional client, in particular in relation to one or several investment services, auxiliary services or transactions or single or several types of financial instruments or transactions,
 - The Company provided the Client with unambiguous written notice on the possibility of losing the rights for protection and rights for compensation,
 - The Client has stated in writing, in a document separate from the contract that they are aware of the loss of rights under the previous paragraph.
8. In the event of such change of categorisation, the Company is entitled to assume that the Client has professional knowledge, experiences and skills to take their own investment decisions and to duly evaluate the risks connected therewith. Therefore, the Client loses the right to protection and some of the rights provided to Non-professional (Retail) Clients.

ARTICLE IV
BASIC RIGHTS OF PROFESSIONAL CLIENTS
AND NON-PROFESSIONAL (RETAIL) CLIENTS

1. The Company is obliged to provide the Clients and potential Clients information, in clear form, needed for them to correctly understand the nature and risks of the service provided by the Company and on the basis of such information then to make a responsible investment decision. Any information shall be provided to Clients or potential Clients on durable media.
2. Information addressed to Non-professional (Retail) Clients or potential Non-professional (Retail) Clients shall be provided by the Company sufficiently in advance, before the Non-professional (Retail) Client or potential Non-professional (Retail) Client is bound by any contract or agreement about the provision of the investment services, auxiliary services or before the provision of such services as such.
3. Before providing services and concluding an agreement with a Client or potential Client, the Company shall, within information and communication with Clients, inform the Client or potential Client about the suggested investment strategy, containing information about goals, riskiness of the investment in question, financial instruments through which the investment in question is to be carried out, as well as about the expected revenues (without guarantee).
4. Before providing the particular investment service, auxiliary service or execution of transaction, the Client has to be informed, unambiguously, in a comprehensive, exact and understandable way, about the existence, nature and amount of any fee, commission, non-monetary advantage or exception from the fee amount, if provided. If their amount cannot be found out in advance, the Company shall inform the Client about the method of calculation of individual fees and costs. The Company shall fulfil this information obligation towards the Client regularly, at least on an annual basis during the life of the investment and any time on the Client's request.
5. The Company shall communicate to the Clients information about any costs and fees arising to the Client based on the estimated investment amount. The Company shall be obliged to provide the Clients and potential Clients with separate data and information about the aggregated initial costs and fees, aggregated ongoing costs and fees as well as the aggregate output costs and fees.
6. When providing investment consulting, the Company shall be obliged to provide the Client with information about the types of considered financial instruments for each type of instrument, about the scale of financial instruments by the scope of service and about the analysed providers by the scope of service.
7. When providing the investment consulting, the Company shall be obliged to provide a Non-professional (Retail) client with a report containing an overview of the consulting provided; information, up to what extent the recommendations provided are suitable for the Non-professional (Retail) Client, including information about how these recommendations fulfil the goals of the Client and their personal relations considering the requested length of investment, knowledge and experience and their attitude and resistance against risk as well as their ability to bear loss. Apart from

such report, prior to carrying out the transaction, the Company shall be obliged to provide the Non-professional (Retail) Client with a written statement on durable media, about the method, how the investment consulting provided corresponds with the preferences, needs and other characteristics.

8. When providing the investment service of investment research based on the account utilisation for investment researches, the Company has to provide the Clients with information about the planned amount for the investment research as well as the amount of the estimated fee for such research intended for individual Clients, in particular before providing such service. For these purposes, the Client and the Company shall agree upon, either in the general business terms and conditions or in the agreement, the investment research fee, depending on the investment research budget.
9. When executing the orders for Non-professional (Retail) Clients, these Clients shall be also provided information in the form of summary of the order execution policy, focusing on total costs arising for them. This summary shall contain a reference to the latest data on the order execution quality, published for every point of sale and a systematic internaliser, the Company provided in its Strategy for Executing Orders, if a point of sale is concerned which executes orders in relation to the financial instruments subject to dealing obligation.
10. When executing the Client's orders, the Company has to adhere to the condition consisting in the obligation to inform the Non-professional (Retail) Client about any serious difficulties regarding the proper execution of the Client's order immediately after finding out. This obligation is related mainly to the categorisation and ability of the Non-professional (Retail) Client to bear low investment risk.
11. Prior to providing investment services and auxiliary investment services by the Company to Clients, the suitability and adequacy of the individual services for a specific Client shall be assessed. In addition to providing reports on suitability, the Company shall provide a Non-professional (Retail) Client also with written statements on the adequacy of a transaction for the Client when providing the investment consulting service, stating how the investment consulting provided corresponds with the preferences, needs and other characteristics of this Non-professional (Retail) Client. Such written statement on adequacy has to be provided on durable media.
12. The Company provides Clients with relevant reports and notifications about the provided and executed service. Such reports shall be provided on durable media, containing regular notifications to Clients, taking into account the type and complexity of the financial instruments included and the nature of the service provided to the Client and costs related to the transactions and services implemented in the name or on the account of the Client, as appropriate.
13. In addition to all the aforementioned obligations, the Company shall be obliged to carry out in relation to the Client and fulfil any additional obligations set out in the internal directive - "Code of Conduct (Activity) of a Securities Dealer in Relation to Clients", so that any necessary information were provided to Clients and potential Clients.

ARTICLE V FINAL PROVISIONS

1. This Directive shall become valid and effective on the date of being approved by the Company's Management Board. From the effective date hereof, any previous internal standards regulating the categorisation of Clients and principles of their categorisation shall be cancelled, regardless of their form.

2. In the event of changes to the provisions of the Act on Securities and/or other relevant legal regulations regarding some of the provisions of this categorisation of Clients, their application shall take into account the relevant change and at the same time, this Directive shall be modified without undue delay in order to be aligned with the current legal status.
3. This Directive shall be binding for all bodies of the Company, employees of the Company as well as any third persons providing execution of some activities for the Company on a contractual basis, and other authorised persons, based on their relation to the Company, possibly subject to the provisions hereof. In such case, the Company Management Board shall provide for their binding nature.
4. The Company Management Board shall be obliged to ensure that any employee and affected person were demonstrably made familiar with this Directive, and that every employee had non-stop access to this internal regulation.

On: 29/03/2018