

INFORMATION ABOUT THE SECURITIES BROKERS' GUARANTEE FUND

In accordance with the wording of Section 128 of Act No. 256/2004 Coll., on Business Activities on the Capital Market, as amended (the "**Act**"), WOOD & Company Financial Services, a.s., a company established and existing under the laws of the Czech Republic, registered office: náměstí Republiky 1079/1a, 110 00 Prague 1, identification no.: 265 03 808, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 7484, ("**WOOD & Co.**") is a party to the guarantee system provided by the Securities Brokers' Guarantee Fund (the "**Fund**").

The Fund is a legal entity registered in the Commercial Register. However, it is not a state fund subject to insurance law. The Fund operates a guarantee system which provides compensation to the clients of those securities brokers who are unable to pay their client debts ("**Compensation**").

The Fund is managed by its Management Board, a governing body whose five members are appointed and recalled by the Minister of Finance and have a five-year term of office.

WOOD & Co. hereby declares that it pays its contributions to the Fund duly and in time, in compliance with Section 129 of the Act, and that the Client's assets which are eligible for compensation from the Fund are subject to the guarantee system provided by the Fund, as specified below.

In the event that:

- WOOD & Co. is unable to perform its obligation to release Clients' assets due to its financial situation and it is unlikely to perform such obligation within 1 year; or
- a court issues a resolution on bankruptcy in respect of WOOD & Co. or any other decision, as a result of which WOOD & Co.'s Clients will be unable to effectively seek the release of their assets by WOOD & Co.,

the Fund shall provide the Compensation for such inability after it receives notification from the Czech National Bank stating that WOOD & Co. is unable to perform the obligations towards its Clients for the above reasons.

In such event, the Fund shall also appropriately publicly announce the fact that WOOD & Co. is unable to perform its obligations, as well as the place, manner and term for registration of the Clients' claims for Compensation and commencement of Compensation payments from the Fund and any other relevant information related to the registration of the Clients' claims.

In accordance with the applicable legal regulations, the term for registration of claims shall not be less than 5 months of such announcement. The fact that such term has expired cannot be referred to in order to deny a Compensation payment from the Fund.

The basis for determination of the amount of Compensation shall be calculated as the sum of all components of the Client's assets which could not be released for reasons directly related to WOOD & Co.'s financial situation, including its co-ownership interest in any assets held jointly with other Clients. This amount shall then be reduced by the value of the Client's debts owed to WOOD & Co. and payable as at the day, on which the Fund received the notification from the Czech National Bank. For determination of the value of the Client's assets, the relevant values are the real values of the investment instruments as at the day, on which the Fund received the notification from the Czech National Bank.

The Compensation shall be provided to the Client at 90% of the amount calculated in accordance with the previous paragraph and in compliance with the relevant provisions of the Act; however, at no more than EUR 20,000 or the CZK equivalent thereof.

Under Section 130 (4) of the Act, the following persons are not entitled to Compensation from the Fund:

- a) the Czech Consolidation Agency;
- b) autonomous municipalities;
- c) any person which, within 3 years prior to the notification of the Czech National Bank:
 - 1. performed or took part in performance of an audit of the securities broker, whose clients are being compensated from the Guarantee Fund,
 - 2. was a senior officer of the securities broker, whose clients are being compensated from the Guarantee Fund,
 - 3. was a holder of a qualifying share in the securities broker, whose clients are being compensated from the Guarantee Fund,
 - 4. was the next of kin (within the meaning of Act No. 89/2012 Coll., the Civil Code, as amended) of a person specified in points 1 to 3 above,
 - 5. was a member of the business group of the securities broker, whose clients are being compensated from the Guarantee Fund,
 - 6. performed or took part in performance of an audit of a member of the business group of the securities broker, whose clients are being compensated from the Guarantee Fund,
 - 7. was a member of the governing body of a member of the business group of the securities broker, whose clients are being compensated from the Guarantee Fund;
- d) any person, in which the securities broker, whose clients are being compensated from the Guarantee Fund (or a holder of a qualifying share in such securities broker) has (or had at any time within the last 12 months immediately preceding the notification of the Czech National Bank) a more than 50% share in registered capital or voting rights;
- e) any person which, in relation to legalization of proceeds from criminal activity, entrusted proceeds from criminal activity to the securities broker, whose clients are being compensated from the Guarantee Fund;
- f) any person which, as a result of its criminal activity, caused that the securities broker, whose clients are being compensated from the Guarantee Fund, became unable to perform the obligations towards its clients;
- g) any "member of association" within the meaning of Section 829 of Act No. 40/1964 Coll., in the wording of Act No. 509/1991 Coll., or any "company shareholder" within the meaning of Section 2719 of the Civil Code, in respect of which the securities broker was not provably informed that they are a "member of association" or a "company shareholder" prior to the resolution on bankruptcy of the securities broker or prior to the notification within the meaning of the Act.