

Classification of clients

1. REASON FOR CLASSIFICATION

Patria is obliged to classify each of its clients in one of three categories according to Directive 2014/65/EU of the European Parliament and of the Council (on markets in financial instruments). The individual categories are outlined below; the client is advised to consult Act No. 256/2004 Coll., Capital Market Undertakings Act, as amended (also referred to as "ZPKT"), for a more detailed description of the categories. Specific classification of each client is provided in the Agreement or otherwise duly notified to the client.

2. INDIVIDUAL CATEGORIES

- a) **Retail (Non-Professional) Client.** These clients enjoy the highest degree of protection when making their investments.
- b) **Professional Client**
 - (i) **Definition.** Means subjects defined by the law or subjects that meet certain material requirements, so-called professional clients per se (stated in Section 2a (1) a (2) ZPKT). A person may also become a professional client on request (stated in Section 2b ZPKT) if the person meets at least some of the requirements, as defined by the law.
 - (ii) **Level of Protection.** The level of protection afforded to professional clients is lower due to their presumed qualification. The lower level of protection applies primarily in the following areas: supply of information, selected obligations relating to the execution of transactions for the client's account, confirmation of transactions and statements of account. Professional clients may neither be eligible for compensations from foreign compensation systems for investors analogous to the Investor Compensation Fund in the Czech Republic. The classification itself in any specific client category does not limit the offer of services.
 - (iii) **Qualities Presumed of Professionals.** A professional client per se is presumed to possess the necessary knowledge and experience in investments which allow the client to make their own investment decisions and properly evaluate the risks which the client assumes in connection with the investment service or the transaction in the investment instrument for which the client is a professional client. The professional client per se is also presumed to possess sufficient finances in relation to investment consulting which allow the client to assume the associated investment risks corresponding to the client's investment goals. These assumptions do not apply with respect to professional clients on request.
- c) **Eligible Counterparty.** The lowest degree of protection is afforded to eligible counterparties. This category includes professional clients who are automatically or on request assigned the status of an eligible counterparty in the provision of selected primary investment services.

3. CHANGE OF THE CLASSIFICATION

According to ZPKT, client is allowed to ask for the change of the classification. Patria also warns that the change of client's category may result in lower degree of protection provided. Particular degree of protection for each category is stated above.