

## CLIENT CLASSIFICATION GUIDELINES

### 1. GENERAL PROVISIONS

- 1.1. Luminor Bank AB (hereinafter referred to as the “**Bank**”) is obligated to classify a natural person or a legal entity to which the Bank provides investment and/or ancillary Services or which applies to the Bank for provision of investment and/or ancillary Services (hereinafter referred to as “**a / the Client**” or “**the Clients**”) prior to starting to provide investment services and/or ancillary services according to the provisions of the Republic of Lithuania Law on Markets in Financial Instruments and other relevant legal acts (hereinafter referred to as “**the Law**”).
- 1.2. This document explains the procedures for classifying Clients and the level of investor protection rights arising from such classification.
- 1.3. The terms used in this document are consistent with the terms defined in the Law unless it is stated otherwise.

### 2. CLIENT CLASSIFICATION

- 2.1. The Bank shall classify Clients as non-professional clients, professional clients or eligible counterparties and shall notify each Client of the category to which the Client is attributed in the Agreement or by providing a separate notice.
- 2.2. The highest level of investor protection shall be provided to Clients classified as non-professional clients.
- 2.3. A Client classified as a non-professional client shall have the right to request the Bank in writing to decrease the level of investor protection in cases established by effective legal acts. In such an event, the Bank shall have the right to request the Client to submit certain documents and/or information in order to assess whether the Client meets the statutory requirements for professional clients or eligible counterparties. Classification as a professional client or an eligible counterparty shall entail a lower level of investor protection.
- 2.4. A Client possessing the knowledge, expertise and experience established by Articles 27 and 28 of the Law may be classified as a professional client. Professional Clients not subject to a separate declaration may be:
  - 2.4.1. licensed and/or otherwise supervised entities operating in financial markets - credit institutions, financial brokerage firms, other licensed and/or supervised financial institutions, insurance undertakings, collective investment undertakings and their management companies, pension funds and their management companies, commodity and commodity derivatives dealers, the persons trading in futures for their own account and other institutional investors. The professional clients referred in this Sub-Clause include entities licensed and/or supervised in the Member States of the European Union and third countries;
  - 2.4.2. large undertaking meeting at least two of the following criteria: the balance sheet total – at least EUR 20 million; net turnover - at least EUR 40 million; own funds - at least EUR 2 million;
  - 2.4.3. governments and municipalities of countries, entities that manage public debt management, Central Banks, the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international and supranational institutions;
  - 2.4.4. other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or participate in other financing transactions.
  - 2.4.5. The Bank may also treat and classify a Client as a professional client if at least two of the following criteria under Article 28 of the Law are met:
    - 2.4.5.1. during the past four quarters of the year, the Client concluded on average 10 major contracts each quarter in a relevant market;
    - 2.4.5.2. the size of the Client’s financial instruments portfolio, including cash deposits, exceeds EUR 500,000;
    - 2.4.5.3. the Client works or has worked in the financial sector at least one year in a professional position, which required knowledge of the services to be provided to the Client or the transactions to be entered into.
- 2.5. If a Client is classified as a professional client, the measures of investor protection specified in Article 22, Article 24, and Sections 2 and 3 of Article 25 of the Law shall not apply to the Client, unless the Parties agree otherwise.
- 2.6. The client classified as a professional client must confirm, in the written form, that he is aware of and understands the consequences of non-application of certain investor protection measures.
- 2.7. A Client classified as a professional client shall have the right to waive his/her professional client status and request the Bank to apply a higher or lower level of investor protection. A higher level of investor protection shall be applied to the Client when a written Agreement, in accordance whereof the Client shall not be treated as a professional client in respect of one or several Services, one or several types of Financial Instruments or transactions, between the Bank and the Client is signed and comes into effect. If the Client requests application of a lower level of investor protection, the Bank shall have the right to request the Client to provide certain documents and/or information in order to assess whether the Client meets the statutory requirements for an eligible counterparty.
- 2.8. The Bank will classify Clients as eligible counterparties, if they fall under the provisions of Article 29 of the Law. Eligible parties may be:

- 2.8.1. financial brokerage firms;
- 2.8.2. credit institutions;
- 2.8.3. insurance undertakings;
- 2.8.4. collective investment undertaking and their management companies;
- 2.8.5. pension funds and their management companies;
- 2.8.6. other financial institutions licensed or supervised in the European Union or individual Member States and third countries, if certain conditions met;
- 2.8.7. persons whose main business consists of dealing on own account in commodities and/or commodity derivatives;
- 2.8.8. firms which provide investment services and/or perform investment activities consisting exclusively in dealing on own account on markets in financial futures, options or other derivatives and on cash markets for the sole purpose of hedging positions on derivatives markets, also firms which deal for the accounts of other market participants indicated in this subparagraph or make prices for them and which are guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such firms is assumed by clearing members of the same markets.

2.9. If a Client is classified as an eligible counterparty, the Bank have the right to provide services provided in the Law without observing the duties established by Articles 22, 24 and Sections 2 and 3 of Article 25 of the Law.

2.10. A Client classified as an eligible counterparty shall have the right to request the application of all the measures of investor protection applicable to professional or non-professional clients. If a Client classified as an eligible counterparty requests a higher level of investor protection without expressly stating that he wishes to be classified as a non-professional client, the Bank shall have the right to classify the Client as a professional client.

2.11. The Bank have the right, at its own discretion:

- 2.11.1. To classify the eligible counterparty as a professional client or a non-professional client;
- 2.11.2. To classify the professional client as a non-professional client.

### **3. FINAL PROVISIONS**

3.1 The Bank may amend this document on a unilateral basis informing the Client according to the established policies and/or contractual provisions.