

INFORMATION ON CLIENT CLASSIFICATION

1. Classification

In accordance with the Norwegian Securities Trading Act of June 29th 2007 (norw. verdipapirhandelloven), the delegated regulation of December 4th 2017 (norw. MifiD II og MifiR forskriften) Swedish law on Bank- and Financing (2004:297) and Swedish Securities Markets Act (2007:528) with regulations issued pursuant to it and the EU Directive 2014/65/EU ("MiFID II") ("Legislation"). Swedbank ("the Bank") is obliged to classify all our clients in different client categories depending on professionalism. Clients are to be classified as non-professionals, clients, professional clients or eligible counterparties. The classification will depend on the client's knowledge, experience, economy and other circumstances.

The classification is important for the level of protection the legislation is providing a client as an investor, trading securities and financial instruments. The highest level of investor protection is provided to non-professional investors while the eligible counterparties receive the lowest.

Below is an account of the main features of the investor protection applicable to each client category. This account is not exhaustive.

To a certain extent, the legislation allows clients that so wish to ask the Bank for a transfer to a different client category. We underline that a transfer to a different client category must be approved by the Bank. Even if the conditions for a reclassification stated below are met, we are nonetheless free to decide whether or not we wish to comply with such request.

Unless the Bank states otherwise the client will be classified as a non-professional client.

2. Non-professional clients

2.1 Degree of investor protection

Clients classified in this client group have the highest level of investor protection. This means, among other things, that the Bank is obliged, to a greater extent than for the other client categories, to adapt the services it provides to the client's individual needs and qualifications.

The Bank's services to the client are subject to the general code of good business conduct. Providing investment advice, the Bank will evaluate if a service or a product is suitable for the client, before suggesting such service or product. The suitability assessment is done to assess the client's investment goals, financial position, and experience and knowledge about the product or service. With the aim to guide the client to take an informed decision, the non-professional investors will receive a written suitability statement that states how the investment advice given correspond with the clients suitability assessment, When providing other services than investment advice the Bank will consider whether a service/transaction, including a financial instrument, is appropriate for the client based on the clients experience and knowledge. .

Should the client wish to carry out a transaction that the investment firm does not believe to be appropriate, taking

into account the client's knowledge and experience, the investment firm has a duty to advise against this. However, the transaction may nonetheless be carried out if the client so wishes despite the warning.

The Bank will not perform an appropriate assessment where the client, on the clients own initiative, place orders in financial instruments that the Bank consider to be not complex.

Status as a non-professional client also entails an extensive right to receive information from the Bank. The Bank is obliged, among other things, to inform the client of the financial instruments in question and of the risks relating to these. Furthermore the Bank will provide information about the trading systems and marketplaces the Bank uses, and of the prices and other costs of all transactions so that the client is enabled to make an informed investment decision.

2.2 Opportunity to be reclassified from non-professional to a professional client

Non-professional clients may ask to be treated as professional clients provided more detailed conditions are met and a further specified procedure is followed. The reclassification may be done in general or for certain groups of financial instruments. Such a reclassification results in a lower level of investor protection.

1) The absolute requirements

The client must meet at least two of the following criteria:

1. the client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters,
2. the size of the client's financial instruments portfolio, defined as cash deposits and financial instruments, exceeds an amount which in NOK equals €500,000,
3. the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the relevant transactions or investment services.

2) Procedure

Clients must inform the Bank in writing that they wish to be treated as a professional client. The client will be asked to document that the requirements stated in item 1 above are met. In addition, clients must in a separate document declare in writing that they know the consequences of losing the protection which is afforded by being classified as a retail client and which are mainly stated in this letter. For further information, please contact the Bank.

After a client's application, the Bank will carry out a concrete assessment of whether the client – based on the client's expertise, experience and knowledge and the planned transactions – is capable of making own investment decisions and understands the risk involved.

It is not possible for a client that is a non-professional client to further be reclassified to an eligible counterparty.

3. Professional client

3.1 Level of investor protection

Clients classified as professional clients are protected by the Legislation to a slightly less extent than non-professional clients. Professional clients are in some areas regarded as able to safeguard their own interests, and the services provided will therefore to a lesser extent be adapted to suit the client's individual needs.

Basically, the code of good business conduct applies in full to professional clients. However, the extent of the Bank's obligations is reduced. Among other things, professional clients are normally expected to have sufficient knowledge and experience make own well-reasoned investment decisions and to do satisfactory assessments of risks. . Our investment advice will thus be based on the investment goals stated by the client and we will basically not ask for information on the client's financial position or knowledge/experience. A professional client will not receive a written suitability statement. The Bank will not assess whether carrying out the transactions in question is appropriate, and it thus also has no duty to advise against a transaction as it has in relation to non-professional clients. The execution of transactions will thus be slightly less elaborate than it is for non-professional clients. This may affect the rate at which the transaction in question is executed. Another consequence will be that professional clients can have access to a wider range of products.

Professional clients are also assumed to be able to determine the information that is necessary in order to make an investment decision. This means that professional clients must, to a greater extent than non-professional clients, themselves obtain the information they regard as necessary. However, professional clients will receive reports on services that have been carried out and other important information, such as the Bank's order execution policy and security rights or possessory/detention liens in financial instruments or assets.

3.2 Opportunity to be reclassified

Professional clients may ask to be classified as non-professional clients and thus achieve a higher level of investor protection. The reclassification may be done in general or for certain groups of financial instruments. Professional clients may also ask to be classified as eligible counterparties and thus achieve a lower level of investor protection. Professional clients are responsible for the Bank being kept continuously informed of any change that may affect their classification.

3.2.1 Reclassification from professional client to non-professional client

It is the professional client's duty to request a higher level of protection when the client feels unable to make a correct risk assessment. Such a change of client classification is to be documented by a written contract between the Bank and the client.

3.2.2 Reclassification from professional client to eligible counterparty

Professional clients that are legal entities and meet two of the three criteria stated in item 2.2. number 1) above, may ask to be treated as eligible counterparties. Express confirmation is to be obtained from the client, in which the client agrees to be treated as an eligible counterparty. Private individuals may not be eligible counterparties

4. Eligible counterparty

4.1 Level of investor protection

An eligible counterparty has the lowest level of investor protection.

Clients with the status of an eligible counterparty basically have the same protection as a professional client, refer to item 3. However, the investor protection for this group is significantly reduced when the Bank provides the following investment services: the receipt and imparting of orders, execution of orders for the client's account and the own-account sale of financial instruments. When providing such services to eligible counterparties, the Bank is not subject to the Legislation's provisions regarding good business conduct, best execution (including the Bank's order execution policy) and certain rules linked to order processing.

As regards the requirement of assessing suitability and appropriate, the rules applying to professional clients will apply correspondingly to eligible counterparties.

For eligible counterparties, the classification means, among other things, that some of the rules stipulating requirements as to information and reporting are not applicable to this client category. This basically also applies to the rule that the Bank must ensure that the client's interests are safeguarded in the best possible way. However, the requirement of good business conduct as a general principle must apply irrespective of the exemption from the Legislation , and eligible counterparties will thus to a certain extent be protected by general principles of good business conduct.

4.2 Opportunity to be reclassified

Eligible counterparties may ask to be reclassified as a professional client or non-professional client and thus achieve a higher level of investor protection.

4.2.1 Reclassification from eligible counterparty to professional client

Eligible counterparties may ask to be treated as a professional client if they wish a higher level of investor protection and to be covered by the rules regarding good business conduct.

4.2.2 Reclassification from eligible counterparty to a non-professional client

Should clients that are initially classified as eligible counterparties wish a higher level of investor protection, they may ask to be treated as a non-professional client. Item 3.2.1 above will apply correspondingly in the case of such a request.