

INFORMATION ABOUT CLIENT CATEGORIES

I. GENERAL PROVISIONS

1. Nordea Bank Finland Plc Lithuanian Branch (hereinafter referred to as the “Bank“) is obligated, according to the provisions of the Markets in Financial Instruments Directive (MiFID), the Republic of Lithuania Law on Markets in Financial Instruments and other legal acts, to categorise a client prior to starting to provide investment services and/or auxiliary services.
2. This document establishes the procedures for classifying clients as non-professional, professional and eligible counterparties in order to inform the Bank’s clients about the classification criteria, the client’s right to change the category assigned to him, and the investor rights’ protection measures applicable to different categories of clients.
3. The terms used in this document are consistent with the terms defined in the Lithuanian legislation unless the document states otherwise.

II. CATEGORISATION OF CLIENTS

4. The following clients are deemed to be professional clients without any specific recognition:

- 4.1. licensed entities and/or entities supervised in any other way operating in financial markets such as credit institutions, financial brokers, other licensed and/or supervised financial institutions, insurance companies, collective investment undertakings and their management companies, pension funds and their management companies, traders in commodities and commodities derivative instruments, persons trading in futures for their own account and other institutional investors. Professional investors referred in this Sub-Clause 4.1 include entities licensed and/or supervised in the European Union Member States and third countries;
- 4.2. major companies meeting at least two of the following criteria: asset value as disclosed in the balance sheet – at least EUR 20 million; net sales income at least EUR 40 million; own funds at least EUR 2 million;
- 4.3. governments and municipalities, entities responsible for public debt management, central banks, the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and similar international and supranational institutions;
- 4.4. other institutional investors engaged mainly in the investments in financial instruments including entities engaged in asset investments or taking part in other financing transactions.

5. Persons that may be classified as professional clients:

- 5.1. The Bank may classify a person as a professional client if at least two of the following criteria are met: during the past four quarters of the year, the client concluded on average 10 major contracts each quarter in a relevant market (value per contract exceeding LTL 50,000); financial instruments’ portfolio of the client, including funds, exceeds EUR 500,000; client has/had been working, as a professional, in the financial sector at least one year in a position requiring knowledge about the services to be provided or the contracts to be concluded.
- 5.2. Certain investor protection measures may be not applied to the clients meeting the criteria set out in Sub-Clause 5.1 above, provided that:

- 5.2.1. the client has filed a written application to the Bank for recognition as a professional client, either with respect to all the services and contracts, or to certain services and contracts or specific types thereof;
- 5.2.2. the Bank has explicitly stated to the client in writing which investor protection measures (including investment insurance measures) do not apply to him;
- 5.2.3. the client has confirmed, in the form of a separate document, that he is aware of and understands the consequences of non-application of certain investor protection measures.
- 5.3. Prior to recognising a person as a professional client and discontinuing application of certain investor protection measures with respect to him, the Bank must make sure that the client meets the requirements set out in Sub-Clause 5.1.
- 5.4. A person classified as professional client must give the Bank a written notice of any changes in the information on the basis of which the client has been categorised. As soon as the Bank is informed that the client no longer fulfils the conditions on the basis of which he was classified as professional client, the Bank must take corresponding actions and apply all the investor protection measures to the client.
- 5.5. Professional clients are entitled to request to amend the terms of the agreement on provision of investment services in order to enjoy a higher level of client interest protection.

6. Eligible counterparties include:

- 6.1. financial brokers;
- 6.2. credit institutions;
- 6.3. insurance companies;
- 6.4. collective investment undertaking and their management companies;
- 6.5. pension funds and their management companies;
- 6.6. entities licensed and/or supervised in the European Union Member States and third countries;
- 6.7. persons who are mainly engaged in trading in commodities and/or commodities derivative instruments for their own account;
- 6.8. companies providing investment services and/or engaged in investment activities consisting only of concluding financial contracts, for the company's own account, in the futures, options or other derivatives markets and money markets with the sole aim to hedge their positions in derivative financial instruments markets, as well as companies concluding contracts for the account of other participants in the said markets or engaged in market making in the interests of such participants, with the underwriting by members of the clearing systems of such markets, which assume responsibility for the contracts concluded by the companies.
7. Contracts with eligible counterparties. While executing orders on behalf of its clients and/or concluding contracts for its own account, and/or accepting and transferring clients' orders, the Bank has the right to conclude transactions, or intermediate in concluding transactions, with eligible counterparties without complying with the provisions of Articles 22, 24 and 25 (2) and (3) of the Republic of Lithuania Law on Markets in Financial Instruments concerning contracts and auxiliary services directly related to the contracts.
8. Categorisation of a person as an eligible counterparty does not prevent the person from requesting the Bank to apply all the measures of protecting interests of non-professional investors, including those established in Articles 22, 24 and 25 of the Republic of Lithuania Law on Markets in Financial Instruments. Such request may be a general request or a request filed on case-by-case basis.
9. Prior to concluding a contract with an eligible counterparty or intermediating in such contracts, the Bank must obtain an explicit confirmation from such party stating that it agrees to act as an eligible counterparty.

III. PROCEDURE FOR CATEGORISATION OF CLIENTS AND FOR CHANGING CATEGORIES

10. The category of the client shall be established or changed by the Bank upon receipt of a written request from the client, based on the criteria set out above and the information on the client's financial position and investment experience, knowledge and objectives provided by the client.
11. The Bank may, on its own initiative or at the client's written request:
 - 11.1. categorise a client, which has been recognised as an eligible counterparty under Clause 6, as a professional client or non-professional client;
 - 11.2. categorise a client, which has been recognised as a professional client under Clause 4, as a non-professional client.
12. Different investor interests' protection measures are applied depending on the category assigned to the client and the scope of investment services provided by the Bank.
13. Maximum investor interests' protection applies to non-professional clients, which have the exclusive right to use protection offered by the Investment Compensation Fund.

IV. FINAL PROVISIONS

14. This document is for information only and the Bank may amend it on a unilateral basis without further notice.
 15. The document is published in the website of the Bank www.nordea.lt and may be presented to the Clients, at their request, at the client service units.
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