

Information about Client Category

Investor Protection Based on Investor Experience and Activities in Financial Markets

In accordance with the Law on Markets in Financial Instruments of the Republic of Lithuania (hereinafter referred to as 'LMFI'), prior to starting to provide investment services and/or ancillary services, AB SEB bankas (hereinafter referred to as the 'Bank') shall categorise its clients as Non-Professional Clients, Professional Clients or a Eligible Counterparties. The Bank shall classify its clients based on information available to it. The client shall be informed about the category assigned to it in the agreement on respective investment services or in a special written agreement between the Bank and the client.

The Bank may, at its own discretion, also classify the client, who may be regarded as an Eligible Counterparty according to the LMFI, to the category of Professional Clients or Non-Professional Clients. The Bank shall be also entitled, at its own discretion, to attribute the client, who may be regarded as a Professional Client according to the LMFI, to the category of Non-Professional Clients.

The client may request the Bank to change the assigned category and apply for a higher or lower investor protection level based on the provisions of the LMFI. A higher investor protection level is applied to a Professional Client after the client and the Bank enter into a relevant written agreement. If the client requests a lower investor protection level, the Bank shall have a right to request the client to provide and (or) update the additional documents and/or information for the purposes of assessment of whether the client meets the Professional Client or Eligible Counterparty criteria set in the LMFI.

The client shall be obliged to inform the Bank about any changes in the information on the basis of which a particular client category has been assigned to the client.

Non-Professional Clients

Natural persons and entities with little experience of investing in financial markets are categorised as Non-Professional Clients. Clients of this category enjoy the highest investor protection in accordance with the LMFI and related legal acts.

Professional Clients

Professional Clients are investors which, in comparison with Non-Professional Clients, are deemed to have greater knowledge, expertise and more experience to be able to take reasonable investment decisions and properly assess the risks associated with financial instruments and services. Therefore, the Professional Clients are afforded a lower-level investment protection.

The following entities are considered to be Professional Clients without any additional recognition:

1. Licensed or otherwise supervised entities operating in financial markets (for the purposes of this paragraph, Professional Clients include entities licensed and/or supervised in the European Union Member States and third countries):

- 1.1. credit institutions;
- 1.2. investment firms;
- 1.3. other licensed and/or supervised financial institutions;
- 1.4. insurance companies;
- 1.5. collective investment undertakings and their management companies;
- 1.6. pension funds and their management companies;
- 1.7. local companies trading in commodities and commodity derivatives;
- 1.8. other institutional investors.

2. Large undertakings that meet at least two of the following criteria:

- a) asset value as disclosed in the balance sheet: at least EUR 20 million;
- b) net turnover: at least EUR 40 million;
- c) own funds: at least EUR 2 million.

3. National and regional governments, including public bodies that manage public debt at national or regional level, central banks, the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international institutions.

4. Other institutional investors, whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

At the client's request, the Bank may also classify the client as a Professional Client, as laid down in Article 38 of the LMFI, if at least two of the following criteria are satisfied:

- (a) 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;
- (b) the size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500,000;
- (c) the client works or has worked in the financial sector for at least one year in the position that requires knowledge of the transactions or services envisaged.

The investor protection measures listed in Articles 29 (except 29(5) – 29(8)), 30, 33 and 34(1) of the LMFI are waived to the clients classified as Professional Clients in respect of all investment services and/or ancillary services provided to the client, unless otherwise agreed in writing.

Eligible Counterparties

Eligible Counterparties include investment firms, credit institutions, insurance companies, undertakings for collective investments in transferable securities and their management companies, pension funds and their management companies, other financial institutions that are licenced or supervised under the European Union law or under the national law of an EU Member State, national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organisations that have been classified as Eligible Counterparties.

This investor category is afforded the lowest level of protection.

The Bank has the right to provide services specified in the LMFI to the clients categorised as Eligible Counterparties waiving the requirements listed in Articles 29 (except 29(5) – 29(8)), 30, 33 and 34(1) of the LMFI.