

Explanation about the rights that the clients may forfeit if they choose the client classification providing less investor protection

Clients whom AS SEB Pank (SEB) provides with investment service or ancillary investment service are classified in accordance with the Securities Market Act into retail clients, professional clients, or eligible counterparties.

1. Retail client

Retail clients are offered the most extensive investor protection to protect their interests. This means that SEB provides the client with information regarding investment products and the provision of investment services and ancillary investment services and the risks involved, as well as information regarding fees and other costs associated with the purchase and sale of such securities.

If SEB provides securities portfolio management or investment advice service to retail clients, SEB will assess the suitability of the respective service or security requested by the client to the knowledge, experience, investment goals, and investment horizon of the client and their ability to bear the potential risks associated with the investment.

2. Professional client

If, upon the provision of investment services and ancillary investment services, a client is regarded as a professional client, SEB may apply less extensive investor protection than in relation to retail clients to protect the client's interests with regard to their knowledge and experience:

- Upon the provision of the investment advice or securities portfolio management service, SEB may assume that with regard to the investment service and ancillary investment service, the client has the required knowledge and experience to understand the risks associated with the transaction or the management of its securities portfolio and due to that, SEB is not obliged to assess the knowledge and experience of the professional client.
- Upon the provision of the investment advice service, SEB may assume in the case of an intrinsically professional client that in addition to possessing the required knowledge and skills, the client is financially capable of bearing any and all risks associated with investment services that comply with the client's investment goals and due to that, SEB is not obliged to assess the compliance of the client's financial capability with the investment goals and investment risks related to the transaction.
- In the case of other investment services except investment advice and securities portfolio management, SEB may assume that the professional client has the knowledge and experience required to understand the risks associated with the specific investment service or transaction or product type and due to that, SEB is not obliged to assess the knowledge and experience of the professional client to determine the client's risk tolerance.

In order to classify a legal person as professional, SEB may assume that all representatives of the client have the same knowledge and experience as the representative assessed in the classification process. In the context of classification, SEB might not assess the other representatives of the client.

3. Eligible counterparty

If, upon the provision of investment services (i.e. the receipt and transmission of orders related to securities and the execution of orders in the name and on behalf of the client), a client is regarded as an eligible counterparty, a lower investor protection shall be applied to the protection of the client's interests than in relation to retail clients and professional clients; therefore, SEB is not obliged to execute the client's orders in the best manner. SEB will, however, remain honest, fair, and professional towards eligible counterparties and facilitate fair, clear, and non-misleading communication.