

## CLIENT CLASSIFICATION GUIDELINES OF LUMINOR BANK AS LITHUANIAN BRANCH

### 1. GENERAL PROVISIONS

- 1.1. Luminor Bank AS Lithuanian branch (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 and/or ancillary Services according to the provisions of the Republic of Lithuania Law on Markets in Financial Instruments (hereinafter referred to as **the Law**) and other relevant legal acts.
- 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 in investment field 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 Economic Area (including Member States of the European Union) and in 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. national and regional governments, including public bodies that manage public debt at national or regional level, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.
  - 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.
- 2.5. The Bank may also, with respect to Clients other than those mentioned in Clause 2.4, including public sector bodies, local public authorities, municipalities and private individual investors, upon Client's request to treat and classify a Client as a professional client either generally or in respect of a particular investment service or transaction, or type of transaction or product, if at least two of the following criteria are met:
  - 2.5.1. during the past four quarters of the year, the Client concluded on average 10 contracts in significant size each quarter in a relevant market;
  - 2.5.2. the size of the Client's financial instruments portfolio, including cash deposits, exceeds EUR 500,000;
  - 2.5.3. 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.
- 2.6. The Client seeking to be treated and classified as professional must state in writing to the Bank that he wishes to be treated as a professional client, either generally or in respect of a particular investment service or transaction,

or type of transaction or product upon which the Bank must serve a clear written warning of the protections and investor compensation rights the Client may lose,

- 2.7. If a Client is classified as a professional client, the measures of investor protection specified in Article 29 (with exception to Sections 5-8), Article 30, Article 33 and Section 1 of Article 34 of the Law shall not apply to the Client, unless the Parties agree otherwise.
- 2.8. The Client classified as a professional client must confirm, in the written form, in a separate document from the contract that he is aware of and understands the consequences of non-application of certain investor protection measures.
- 2.9. A Client classified as a professional client in accordance with clause 2.4 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.
- 2.10. The Bank, with a relevant consent, will classify Clients as eligible counterparties, if they fall under the provisions of Article 39 of the Law. Eligible parties may be:
  - 2.10.1. financial brokerage firms (investment firms);
  - 2.10.2. credit institutions;
  - 2.10.3. insurance undertakings;
  - 2.10.4. collective investment undertaking in transferrable securities and their management companies;
  - 2.10.5. pension funds and their management companies;
  - 2.10.6. other financial institutions authorised or regulated under European Union Law or under the national law of a Member States of the European Economic Area (including Member States of the European Union);
  - 2.10.7. national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organisations
  - 2.10.8. third country entities equivalent to those categories of entities referred to above in this Sub-Clause;
  - 2.10.9. an undertaking falling within a category of clients who are to be considered professional clients in accordance with Sub-Clauses 2.4.1, 2.4.2 and 2.4.3.
- 2.11. If a Client, with its consent, is classified as an eligible counterparty, the Bank have the right to provide services provided in the Law without observing the duties established by Article 29 (with exception to Sections 5-8), Article 30, Article 33 and Section 1 of Article 34 of the Law.
- 2.12. A Client classified as an eligible counterparty shall have the right to request the application, either on a general form or on a trade-by-trade basis of all the measures of investor protection, established by Articles 29, 30, 31, 33 and Sections 1 and 2 of Article 34 of the Law. The request should be made in writing, and shall indicate whether the treatment as retail client or professional client refers to one or more investment services or transactions, or one or more types of transaction or product. If in its request the client does not expressly request treatment as a retail client, the Bank will treat that eligible counterparty as a professional client.
- 2.13. Where the eligible counterparty expressly requests treatment as a retail client, Bank shall treat the eligible counterparty as a retail client, applying the provisions of Clause 2.9.
- 2.14. The Bank have the right, at its own discretion:
  - 2.14.1. To classify the eligible counterparty as a professional client or a non-professional client;
  - 2.14.2. 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.