

INFORMATION ON CLIENT CLASSIFICATION

In force from 1st January 2018

Based on standard prepared by the Norwegian Securities Dealers Association

1. Classification

It is mandatory for Beringer Finance AS (the Company) to classify all our clients in different client categories depending on professionalism. Clients will be classified as:

- non-professional clients
- professional clients or
- eligible counterparties

The extent to which the client is protected by legislation depends on the client category. 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 to ask the Company to be classified in a different client category. We emphasize that the new classification must be approved by the Company. Even if the conditions for a reclassification stated below are met, the Company is nonetheless free to decide whether or not it wishes to accommodate any such request.

2. Non-professional client

2.1 Degree of investor protection

Non-professional clients have the highest degree of investor protection. This means, among other things, that the Company 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 Company will consider, before any trading takes place or advice is given, whether a service/transaction including a financial instrument, is appropriate or suitable for the client. Investment advice will be given based on the information provided by the client on his/her investment goals, financial position and experience and knowledge of the service/transaction in question.

Should the client wish to carry out a transaction that the Company does not believe to be appropriate, considering the client's knowledge and experience, the Company has a duty to advise against this. However, the transaction may nonetheless be carried out if the client so wishes despite the warning.

Status as a non-professional client also entails an extensive right to receive information from the Company. The Company is obliged, among other things, to inform the client of the financial

instruments in question and of the risks relating to these, of the trading systems and marketplaces the Company uses and of the costs and charges of all transactions so that the client is enabled to make an informed investment decision.

2.2 Opportunity to be reclassified

Non-professional clients may ask to be treated as professional clients provided more detailed conditions are met and a further specified procedure is followed. Such a reclassification results in a lower degree of investor protection.

2.2.1 From non-professional client to professional client

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 equal to € 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 Company in writing that they wish to be treated as a professional client. The client can 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 non-professional client and which are mainly stated in this letter. The Company may be contacted for further information.

The Company must carry out a specific 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.

3. Professional client

3.1 Degree 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 Company's obligations is slightly reduced. Among other things, professional clients

are normally expected to have sufficient knowledge to assess whether a transaction is appropriate. 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. The Company 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 is 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 to make an investment decision. This means that professional clients to a greater extent than non-professional clients, must themselves obtain the information they consider as necessary. However, professional clients will receive reports on services that have been carried out and other important information, such as the Company's order execution policy and security rights or possessory 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 degree of investor protection. Professional clients may also ask to be classified as eligible counterparties and thus achieve a lower degree of investor protection. Professional clients are responsible for the Company being kept continuously informed of any change that may affect their classification.

3.2.1 From professional client to non-professional client

It is the professional client's responsibility to request a higher degree 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 Company and the client.

3.2.2 From professional client to eligible counterparty

Professional clients that are legal entities and meet two of the three criteria stated in item 2.2.1, no. 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.

4. Eligible counterparty

4.1 Degree of investor protection

Eligible counterparties have the lowest degree of investor protection.

Clients having the status of 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 Company 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 Company is not subject to the Norwegian Securities Trading Act's provisions regarding good business conduct, best

execution (including the Company's order execution policy) and certain rules linked to order processing.

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

The exemption from the provision regarding good business conduct 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 Company 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 Securities Trading Act provision, 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 obtain a higher degree of investor protection.

4.2.1 From eligible counterparty to professional client

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

4.2.2 From eligible counterparty to non-professional client

Should clients that are initially classified as eligible counterparties want a higher degree 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.