



PRUDENTUS

HELSINKI • STOCKHOLM • LONDON

CLIENT CLASSIFICATION CRITERIA

A. Non-Professional Clients

Clients other than professional clients or eligible counterparties.

B. Professional Clients

1. Institutional entities

Finnish entities authorised or regulated to operate in the financial markets¹ and comparable non-Finnish entities regulated by authorities:

- a. Investment firms;
- b. Credit institutions;
- c. Fund management companies; Entities dealing in options;
- d. Stock exchanges;
- e. Clearing and settlement houses;
- f. Central securities depositories;
- g. Insurance companies referred to in the Finnish Insurance Companies Act;
- h. Authorised employee pension companies and pension funds;
- i. Entities referred to in items 6 and 7 of subsection 3 of section 1 of the Investment Firms Act;
- j. Undertakings dealing on own account in commodities and commodity derivatives; and
- k. Other institutional investors².

2. Large undertakings,

Undertakings that meet two of the following three requirements according to financial statements for the past full financial year:

- a. Balance sheet total: at least €20,000,000;
- b. Net turnover: at least €40,000,000; and
- c. Own funds³: at least €2,000,000.

3. State, municipalities and their units

- a. Finnish government;
- b. State Treasury and state enterprises;
- c. Finnish municipalities and federations of municipalities;
- d. Province of Åland;
- e. Foreign states;
- f. Bodies servicing government debt; and
- g. Foreign state's regional administrative units.

4. Central banks

- a. European Central Bank;
- b. Bank of Finland;
- c. Foreign central banks; and
- d. International Monetary Fund, World Bank and similar international entities or organisations.

5. Institutional investors

Entities whose main business is to invest in financial instruments.

¹ Regulated entities are considered to include local mutual insurance associations.

² According to Government bill No. 43/2007, other institutional investors include specialised finance companies which are not governed by the Act on Credit Institutions. Such investors include Finnvera Plc and Finnish Fund for Industrial Cooperation Ltd (FINNFUND).

³ Own funds include equity capital or other similar capital, share premium account, fair value reserve, other reserves and retained earnings.

6. Clients applying themselves

6.1. The client applies in writing.

6.2. The client meets at least two of the following requirements:

- a. the client has carried out transactions significant in size⁴ in the markets involved at an average frequency of ten times per quarter over the previous four quarters;
- b. the size of the client's investment portfolio⁵ exceeds €500,000; and
- c. the client works or has worked in the financial sector in a professional position for at least one year.

6.3 The securities dealer estimates that the client is capable of both making independent investment decisions and understanding the risks involved in them, and the securities dealer accepts the client's application.

6.4 The securities dealer informs the client in writing that the client does not enjoy the protection afforded by either the conduct of business rules referred to in Chapter 4 of the Securities Markets Act or the Investors' Compensation Fund.

6.5 The client informs the securities dealer in writing that he or she is aware of the loss of protection provided by the conduct of business rules and the Investors Compensation Fund.

C. Eligible Counterparties

Finnish entities authorised or regulated to operate in the financial markets¹ and comparable non-Finnish entities regulated by Finnish authorities:

- a. Investment firms;
- b. Credit institutions;
- c. Fund management companies;
- d. Entities dealing in options;
- e. Stock exchanges;
- f. Clearing and settlement houses;
- g. Central securities depositaries;
- h. Insurance companies referred to in the Finnish Insurance Companies Act;
- i. Authorised employee pension companies and pension funds;
- j. Entities referred to in items 6 and 7 of subsection 3 of section 1 of the Investment Firms Act;

- k. Undertakings dealing on own account in commodities and commodity derivatives; and
- l. Other institutional investors².

2 Large undertakings, Undertakings that

2.1 meet two of the following three requirements according to financial statements for the past full financial year:

- a. Balance sheet total: at least €20,000,000;
- b. Net turnover: at least €40,000,000; and
- c. Own funds⁶: at least €2,000,000.

2.2. give their express consent to be treated as an eligible counterparty.

3. State, municipalities and their units

- a. Finnish government;
- b. State Treasury and state enterprises;
- c. Finnish municipalities and federations of municipalities;
- d. Province of Åland;
- e. Foreign states;
- f. Bodies servicing government debt; and
- g. Foreign state's regional administrative units.

4. Central banks

- a. European Central Bank;
- b. Bank of Finland;
- c. Foreign central banks; and
- d. International Monetary Fund, World Bank and similar international entities or organisations.

5. Clients classified as eligible counterparties applying for treatment as professional clients

5.1. An eligible counterparty of the kind referred to above in point 1, 3 or 4 applies in writing for application of the code of conduct rules to transactions to be concluded with the eligible counterparty either in general or in respect of an individual transaction.

5.2 The securities dealer accepts the client's application.

6. Clients classified as eligible counterparties applying for treatment as non-professional clients

⁴ A transaction is considered significant in size if it amounts to at least €50,000.

⁵ Including cash funds.

⁶ Own funds include equity capital or other similar capital, share premium account, fair value reserve, other reserves and retained earnings.

6.1. An eligible counterparty of the kind referred to above in point 1, 3 or 4 applies in writing for application of the code of conduct rules to transactions to be concluded with the client in general or in respect of an individual transaction.

6.2 The securities dealer accepts the client's application.

6.3 A written agreement is concluded to the effect that the client be treated as a non-professional client in respect of one or several services or transactions or in respect of one or several types of securities or transactions.

7. Clients classified on earlier application as institutional investors applying now for treatment as eligible counterparty

7.1 The client applies in writing.

7.2 The client meets at least two of the following requirements:

- a. the client has carried out transactions significant in size⁴ in the markets involved at an average frequency of ten times per quarter over the previous four quarters;
- b. the size of the client's investment portfolio⁵ exceeds €500,000; and
- c. the client works or has worked in the financial sector in a professional position for at least one year.

7.3 The securities dealer estimates that the client is capable of both making independent investment decisions and understanding the risks involved in them, and the securities dealer accepts the client's application.

7.4 The securities dealer informs the client in writing that the client does not enjoy the protection afforded by either the conduct of business rules referred to in Chapter 4 of the Securities Markets Act or the Investors' Compensation Fund.

7.5 The client informs the securities dealer in writing that he or she is aware of the loss of protection provided by the conduct of business rules and the Investors Compensation Fund.