

Stockholm, 3 November 2017

Changes in Pareto Securities' general terms and conditions in light of MiFID II

The 3rd of January 2018 MiFID II enters into force and in order for Pareto Securities to be fully compliant an update of our general terms and conditions has been made. Please find the document here <http://paretosec.com/terms-and-conditions.php>. Do note that at the current moment only a Swedish version is available which will be followed by an English version later during the fall of 2017.

Some of the updates made in general are:

- Structural changes where for example common definitions has been moved to the first part and any common terms for accounts has been collected in the end of the document;
- Changes to reflect the Swedish Securities Dealers' Association's sample terms, e.g. notice period for changes to the terms will now be two months instead of previous 30 days;
- Semantical changes in order to use the same nomenclature as used in MiFID II, information regarding recording of telephone conversations and electronical communication, new requirements on transaction reporting including that you must provide us with such information we need to report any transactions (e.g. LEI-number for legal persons), etc. These updates are made in according to the Swedish Securities Dealers' Association's sample terms; and
- Updates regarding capitalization of interest on a credit amount on an account which going forward will be done monthly instead of quarterly as is done today. Debit interest, if any, will, as today, be capitalized annually.

Further, Pareto Securities is obliged to inform clients on how securities and cash are held at Pareto Securities. A description on custody and accounts for cash, including the risks and cost associated with the different alternatives will be published on the website above before year end. Finally, updated information on Pareto Securities Best Execution etc will be published on the same website during late 2017.

Any questions on Pareto Securities new terms and conditions can be sent to PSComplianceStockholm@paretosec.com. If you wish to discuss other issues you are always welcome to contact your broker or clientservice.se@paretosec.com.

Kind Regards,

Pareto Securities AB