

## SUITABILITY TEST FOR EXISTING NON-PROFESSIONAL CLIENTS

### 1. THE CLIENT

Name (person/enterprise) Social sec. no. / Org. no. Information is registered by (Name)

### 2. USE OF SUBMITTED CLIENT DETAILS

Pareto Securities AB ("Pareto") will **not use the details** submitted below for any other purpose than performing such evaluations as the enterprise is required to carry out pursuant to the Swedish Securities Market Act with appurtenant regulations.

### 3. INVESTMENT ADVICE SUITABILITY TEST

Pareto offers *transmission and execution of orders* for trading in financial instruments through our Internet trading platform ("web trading"), as well as via our dealing desk. Brokers may contact clients who make use of order transmission and execution services in connection with general offers available to all clients of the enterprise.

Besides, investment advice is offered through the dealing desk for clients holding clearance for such service. It is a requirement under the Securities Trading Act that client to whom investment advice is to be offered are subjected to a suitability test for purposes of enabling the investment firm to recommend such investment services and such financial instruments as a suitable for the client. The details submitted on the present form shall enable Pareto to perform such suitability testing. Pareto will assess whether investment advice may be offered to the Client based on an assessment of the client profile, cf. Clause 5 below.

The investment advice is limited to the small number of investment products offered by Pareto, and consequently is not product-independent advice. Nor do Pareto's business activities include advice to the Client with regard to the establishment of investment objectives and detailed investment limits (asset allocation principles, portfolio composition to achieve the desired diversification, etc.). Consequently, clients wanting assistance on this need to contact another service provider that offers such a service.

Pareto does not offer active management services.

## 4. THE PRODUCTS OFFERED BY PARETO

Pareto offers a limited range of investment products:

- Domestic and foreign listed and non-listed equities and equity instruments
- Domestic and foreign Exchange Traded Funds and Exchange Traded Notes
- Domestic and foreign listed and non-listed bonds
  
- Futures, forwards and options with equities, commodities, foreign exchange or contracts of affreightment as the underlying instruments .

Pareto's investment products aim to achieve positive yields/gains net of costs, and are generally characterised by medium/high risk, whilst their recommended investment horizons vary depending on, inter alia, liquidity. Please note that Pareto does not offer products with a low risk profile.

## 5. CLIENT PROFILE

Pareto is required, under the Securities Market Act with appurtenant regulations, to gather details pertaining to knowledge and experience from clients who make use of order transmission and execution services. Such details shall enable the enterprise to assess which investments are appropriate for the Client.

As far as clients who make use of the service investment advice are concerned, the Securities Market Act with appurtenant regulations requires the gathering of additional details pertaining to the financial position and investment objective of the Client. Such details shall, together with the previously gathered details pertaining to the knowledge and experience of the Client, enable the enterprise to assess which investments are appropriate for the Client.

### **INVESTMENT OBJECTIVE**

Information about the investment objective will be used in connection with the investment advice service. It will **not** be used for purposes of order transmission or execution.

Alternatively, the asset management mandate may be appended if the client is a fund manager.

Pareto offers investment advice relating to such part of the client's portfolio as the client would like to expose by using Pareto. Pareto does not offer investment advice in respect of other parts of the client's portfolio.

The questions in this section (investment objective) concern **such part of the client's portfolio as the client wishes to invest through Pareto.**

Clients who would like advice with regard to **how large a portion of the client's overall portfolio** may be invested in equities, given the risk tolerance and return expectations of the client in respect of **the portfolio as a whole**, need to seek advice from an investment adviser that provides investment advice in respect of the overall portfolio of the client.

## Return objective

- Low return – *expected return significantly lower than general stock market index return*  
(i.e. bank deposits and money market funds – Pareto does **not** offer such products)
- Medium return – Interest yield from **bonds**  
(Clients with this return objective will be offered investment advice with regard to bonds, not equities)
- High return – Return from **equities or limited partnership shares.**  
See below regarding risk appetite for trading in equity and limited partnership shares.

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## Risk appetite

- Low risk appetite (No available products)
- Medium risk appetite
- High risk appetite (equities) - If you have ticked off «High return» above, you must have «High risk appetite».

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## Risk appetite for trading in equity and limited partnership shares

**(“Equity Risk” – conditional upon the Client wishing to assume a high level of risk in general<sup>2</sup>)**

- Low Equity Risk – listed equities included in the main index of the Oslo Stock Exchange (OSEBX) and Nasdaq OMX Nordic, as well as corresponding equity indices in market places abroad and project finance companies holding long leases with a solid tenant (IG or similar credit risk)
  - Medium Equity Risk – listed equities not included in a main equity indexes, unlisted equities, real estate/shipping/offshore funds as well as project finance companies (asset play within the shipping/offshore sector and real estate development projects excepted)
  - High Equity Risk – derivatives trading, short sales and securities financing
  - High Equity Risk – “asset play” investments in project finance companies involved within the shipping/offshore sector and real estate development projects
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**Desired maximum gross exposure to securities / corporate share** <sup>3</sup> SEK

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**Intended use of yield**

Servicing of ongoing obligations, please specify:

Consumption/Savings

Other:

Equities are high-risk instruments. In general, Pareto Securities will not recommend that any capital that is necessary for meeting ongoing subsistence requirements be invested in equities. Nor are equities necessarily suitable for meeting all intended capital uses.

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**Future need for liquidity**

Capital requirement the next five years that must be taken into consideration when considering which investments that are suitable for you as a Client

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No – I do not have a known need for liquidity the next five years that must be taken into consideration

Yes – please specify

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**Time horizon of the investments**

The time horizon of the client is of relevance to the assessment as to whether equities are suitable, in view of the risk tolerance of the client, as well as to the assessment as to whether products with limited liquidity are suitable.

The client is requested to indicate for how long the client intends to be invested in financial instruments (time horizon), and not for how long the client would like to be invested in each individual instrument. The time horizon is of relevance to Pareto Securities' assessment as to what market risk exposure would entail for the client.

A short time horizon increases the risk associated with investments in certain types of financial instruments, like for example equities. This implies that equities may be unsuitable as an investment if the client either requires (for example for liquidity reasons) or would prefer a very short investment horizon.

- Less than 1 month
  - 1 month to 1 year
  - More than 1 year
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**KNOWLEDGE AND EXPERIENCE**

Pareto is required to gather necessary information about the financial market knowledge and experience of clients assumed to be classified as non-professional investors. Such clients shall submit the following details:

Job/profession (of the Client or the person(s) trading on behalf of the Client):

Level of education (please tick the relevant box):

- Compulsory secondary education
- Upper secondary education
- College/university

The Client or the person(s) trading on behalf of the Client has/have professional experience from the financial sector  Yes  No

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The Client or the person(s) trading on behalf of the Client has/have an economics or finance education  Yes  No

The Client or the person(s) trading on behalf of the Client has/have experience from investments in the Norwegian company structures KS/IS/ANS or other limited partnership companies  Yes  No

The Client or the person(s) trading on behalf of the Client has/have investment experience from/knowledge about these product categories:

	@ghifUXY	\$!5	Ž 5	Level of knowledge High/Medium/Low		
Equity and bond funds, including «Exchange Traded Funds»	<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Listed equities included in major stock market indices	<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unlisted equities and listed equities not included in major stock market indices	<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment grade bonds	<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
High yield bonds	<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Contingent convertible bonds	<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Listed derivatives, for instance Exchange Traded Notes and listed options	<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unlisted derivatives	<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Number of transactions last year

Short trading  \$!5 Ž 5

Securities financing  \$!5 Ž 5

Number of transactions last year

Direct investments or through AS/KS/ANS/IS within real estate/shipping/offshore  \$!5 Ž 5

Pareto Securities has a statutory obligation to clarify whether non-professional clients have prior experience from the purchase of investment services. The client's reply will form part of an overall assessment of the client's level of expertise.

**The Client or the person(s) trading on behalf of the Client has/have previously made use of the following investment services:**

	<b>Yes</b>	<b>No</b>
Transmission/execution of orders	<input type="radio"/>	<input type="radio"/>
Investment advice	<input type="radio"/>	<input type="radio"/>
Active management	<input type="radio"/>	<input type="radio"/>
Purchase/subscription of/for financial instruments in connection with initial or secondary public offerings	<input type="radio"/>	<input type="radio"/>

*Pareto provides so-called "execution only" services as far as web trading in non-complex instruments is concerned, which services involve direct assistance with the execution of orders at the initiative of, and as decided by, the Client. Consequently, the enterprise is not required to assess whether the Client has the necessary knowledge and experience to understand the risk associated with the relevant investment product. Consequently, Pareto is under no obligation to warn the Client against investments in respect of which the Client does not have sufficient knowledge and experience to understand the risk associated therewith. The Client therefore does not benefit from the same investor protection as do clients who receive investment advice*

**FINANCIAL POSITION**

As far as non-professional clients are concerned, Pareto is required to gather details about the financial position of such clients in order to provide investment advice. The Client shall disclose its assets in

order to enable the enterprise to assess which financial instruments are suitable for the Client. Moreover, non-professional clients shall disclose their liabilities in order to enable Pareto to assess the ability of such clients to absorb losses.

Professional clients should specifically note that Pareto will, when rendering investment advice, assume that the Client has investable and liquid assets corresponding to the portfolio in respect of which the Client seeks investment advice. Pareto further assumes that the Client does not hold any current investments which will need to be taken into consideration when Pareto renders investment advice. If this is not the case, the Client is obliged to inform Pareto of the composition of the existing portfolio.

Pareto will not make use of details relating to financial position in its assessment of a Client who is making use of the web trading solution offered by the enterprise, and who does not receive investment advice.

## **Assets**

Bank deposits: SEK:

### *Financial instruments:*

Tradable fixed-income instruments (bond funds, listed bonds) SEK:

Illiquid fixed-income instruments SEK:

Listed equities SEK:

Other financial instruments SEK:

Real estate SEK:

Other wealth SEK:

**Total** SEK:

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## **Liabilities**

Real estate as collateral SEK:



Securities as collateral

SEK:

Other liabilities

SEK:

**Total**

SEK:

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**Net wealth (assets less liabilities)**

SEK:

Uncalled capital in partnership companies, guarantees or security provided or other latent debt

SEK.

**For enterprises:**

Net turnover last financial year

SEK:

Profit/loss last year

SEK:

**For private individuals:**

Annual income

SEK:

Ordinary obligations \*

SEK:

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\* Ordinary obligations: The total monthly expenditure of the Client, multiplied by 12.

In addition, Pareto will gather information about the financial position of the Client from one or more credit rating agencies. Accounting information will be gathered in respect of legal entities. Natural persons will receive, directly by mail, a copy letter with the information we have gathered about them.

**I confirm that the information given in this form is correct**