

CLIENT CATEGORISATION

2nd JUNE, 2010

In accordance with the Estonian Securities Market Act the investment firms are obligated to inform Clients about their categorisation as **retail Client**, **professional Client** or **eligible counterparty**. AS Trigon Wealth Management („TWM“) will categorise its Clients according to the provisions of the law containing precise description of factors effecting the categorisation. The Client is entitled to request the service provider for a change of his categorisation.

All Clients who do not meet the requirements applicable to professional Clients or eligible counterparties shall be categorised as retail Clients. The assessment will be made on the basis of information given by the Client in the Personal Investment Profile Questionnaire.

I. Retail Client is a Client who has insufficient experience, knowledge and expertise to make his own investment decisions and properly assess the risks that may incur. Retail Clients are entitled to receive the most comprehensive information regarding the activities of the investment service provider, the financial instruments, the types of the transactions and the risks involved. Furthermore, retail Clients are granted the highest level of protection. Providing the investment service of investment advice or portfolio management, TWM is required to obtain the information about Client's experience and knowledge in regard to the investment service or product.

II. Professional Clients have competence to assess their own investment decisions and the risks that those incur. Professional Clients are supposed to have higher level of knowledge and information on capital markets than a retail Client has. Consequently, the level of protection the professional Client is entitled to receive is lower than the level of protection applied to the retail Client. Some Clients are deemed to be professionals according to the law, such as e.g. financial entity authorised or supervised by the official financial supervision authorities (banks, investment firms etc), institutional investors with balance sheet at least EUR 20 000 000 etc.

A **retail Client** may request in a written form to be treated as a **professional Client** in case he considers he possesses the experience, knowledge and expertise to make his own investment decisions and is able to properly assess the risks that may incur; and provided that two of the following criteria are satisfied:

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 portfolio of financial instruments exceeds EUR 500 000,
3. the Client works or has worked in the financial sector for at least one year on a professional position, which requires knowledge of the transactions or services envisaged.

TWM may assess the expertise, experiences and knowledge of a Client on the basis of the requirements set for the managers of credit institutions and other financial institutions subject to financial supervision.

If the assessment grants TWM reasonable assurance that the Client is capable of making his own investment decisions and understands the risks involved, the Client's request to be treated as professional Client shall be accepted. TWM shall inform the Client about the decision to change his category or to leave it unchanged.

A **professional Client** may request in a written form for **non-professional treatment** when he deems he is unable to properly assess or manage the risks involved. In this case the Client is presumed not to possess market knowledge and experience comparable to that of a professional Client, and TWM shall enter into a written contract with the Client which shall set out with regard to which services, transactions or securities the professional Client shall be treated as a retail Client.

TWM may, based on a written consent of a **professional Client**, treat the Client as an **eligible counterparty** (see further below). In such case TWM shall explain to the Client thoroughly the consequences of such change in the status before treating the professional Client as an eligible counterparty.

III. Clients meeting requirements for professional Clients (with some exemptions) may be categorised as **eligible counterparties**. This category offers the lowest degree of investment protection.

TWM has the right to conclude transactions with an eligible counterparty and provide ancillary services thereto related to the specified transactions without complying with a number of requirements, such as obligation to assess whether the investment service envisaged is suitable and appropriate for the Client; obligation to report to the Client on the service provided; requirements provided for by the Estonian Securities Market Act in respect to information about the Client, the nature of the investment services and the risks relating thereto etc.

The only obligation that remains is the obligation of TWM to notify the eligible counterparty, before provision of investment services or investment ancillary services, of the general nature and source of the conflict of interests if the measures established and applied by TWM for managing and avoiding the conflict of interests in a specific case do not guarantee the avoidance of the threat of damage to the interests of the Client.

An eligible counterparty may apply in written form for treatment of, either in general or one particular transaction, as a **professional** or a **retail Client**. With a written agreement the Client shall be treated as a retail or a professional Client with regard to one or more particular services or transactions.

Clients categorised as **professionals** may apply in writing for treatment as **eligible counterparties**. If according to the assessment by TWM the Client is able to make his own investment decisions and understands the risks that it incurs, TWM accepts the application. The Client makes a statement in writing to TWM that he is aware of the loss of protection provided for a professional Client.

It is the Client's responsibility to inform TWM immediately of relevant changes to information provided to TWM for the purposes of Client categorisation.

Information on Financial Instruments and Risks related thereto

The services provided by TWM cover a wide range of transaction types and financial instruments. Each type of transaction and financial instrument (incl. derivatives) has its own features and is subject to particular risks. Certain transactions and/or financial instruments may not be suitable to a particular Client in light of his categorisation (retail or professional Client regarding financial matters) or his investment profile. TWM shall agree upon the allowed types of transactions and instruments with each Client separately in the Wealth Management Agreement. Furthermore, TWM shall provide the Client, dependant on his categorisation, with adequate information related to risks. TWM accepts no responsibility or liability for risks introduced to and accepted by the Client.