

**As a client you must together with other considerations be fully aware of the following:**

- that investments or other positions in financial instruments are entered into at the clients own risk
- as a client you must carefully review Pareto Securities' general terms and conditions for trading in that financial instruments as well as other relevant information about the certain financial instrument, its features and risk
- that when trading in financial instruments you must review contract notes and other documentation on your holdings and positions and immediately report any inaccuracies
- that you must constantly monitor variations of values in holdings and positions in financial instruments
- that you as a client must initiate measures required to reduce the risk of losses in your own investments or other positions

### Information about Pareto Securities and our business

Company name: Pareto Securities AB ("Pareto Securities")  
 Corporate ID: 556206-8956  
 Registered office: Stockholm, Sweden

	<b>Head Office</b>		<b>Norwegian Branch</b>
Mail addresses:	P.O. Box 7415 103 91 Stockholm Sweden	Stortorget 13 211 22 Malmö Sweden	Box 1411 Vika 0115 Oslo, Norway
Visiting addresses:	Berzelii Park 9	Stortorget 13	Dronning Mauds gate 3
Phone:	+46 8 402 50 00	+46 40 750 20	+47 22 87 87 00
Website:	<a href="http://www.paretosec.com">www.paretosec.com</a>		
E-mail:	<a href="mailto:clientservice.se@paretosec.com">clientservice.se@paretosec.com</a>		

The Pareto Securities group is in relation to a Bank Group, an independent full service financial institution with a leading position in the Nordic capital markets and a strong international presence in sectors such as oil services, E&P and shipping. The Pareto Securities group is headquartered in Norway, with more than 500 employees located in offices in the Nordic countries,, United Kingdom, France, Germany, Switzerland, USA, Singapore and Australial.

Pareto Securities was established in 1986 and is today part of the Pareto Group which also offers services such as offshore rig and shipping brokering, project financing and asset management.

Within the equity capital markets, the Pareto Securities group structures and executes a wide range of equity related transactions such as initial public offerings, public and private equity placements, rights offerings, block trades and share buy-backs. Through the largest dedicated high yield bonds sales desk in the Nordic region, the Pareto Securities group offers access to Nordic high yield bonds, both in the primary and the secondary market. Within M&A, the Pareto Securities group is a top-ranked advisor with proven track record and strong cross-border expertise.

The Pareto Securities groups' research team consists of experienced analysts specializing in sectors such as oil service, E&P, shipping, seafood, industrials, financials and telecom. Our sales force offers strong placing power in capital market transactions as well as equity and bonds trading on Nordic – and international exchanges.

Since 1994, the Pareto Securities group have hosted its annual Oil & Offshore Conference in Oslo, an event which has grown into the largest oil & offshore conference in Europe, attracting some 1,400 investors and industry professionals and several of the world's leading oil & offshore companies. In Sweden, Pareto Securities hosts annual conferences for corporate bonds, gaming & gambling, real-estate and natural resources.

Through the acquisition of E. Öhman J:or Fondkommission in Sweden (Pareto Securities AB) and Finland (Pareto Securities OY) and the establishment of a Copenhagen branch, Pareto Securities has strengthened its position as a top tier financial institution in the Nordic region and offers a complete range of capital market services.

More information about our business can be found on our website. [www.paretosec.com](http://www.paretosec.com)

## Supervision

Pareto Securities is supervised by the Swedish Financial Supervisory Authority (Finansinspektionen) and has been granted to conduct Securities Operations in accordance with the Swedish Securities Market Act (2007:528). Full information about Pareto Securities' permits can be found on Finansinspektionens website [fi.se/companyregistry](http://fi.se/companyregistry).

Since 2017 Pareto Securities also has permission to provide services through its branch in Norway.

## Account types

Pareto Securities provides clients with three types of accounts;

- Trading account (trades are settled through the clients custodian) for institutional clients;
- Custody and cash account (custody of securities and cash funds) for all types of clients;
- Investment Savings Accounts (Investeringsparkonto) for individuals living in Sweden; and
- Investment Savings Accounts (aksjesparekonton (ASK)) through our branch in Norway for clients based in Norway.

Through our online services clients can gain access to our Online Trading Platform and research reports produced by our Research team. We offer an Online trading platform, Pareto Trader and Online Trader which you can read more about on our website under the section Equities and Electronic Trading.

Securities and funds that have deposited with Pareto Securities are placed on accounts with DNB Bank ASA, the Swedish branch. Funds that have been deposited with Pareto Securities accounts are not separated from the proprietary funds of Pareto Securities. At the event of a bankruptcy clients receive payment equivalent to Pareto Securities other subordinated creditors. Securities deposited with Pareto Securities are separated from Pareto Securities proprietary securities, however in some cases, if it's allowed in the specific market, they can be deposited with other clients in so called *omnibus accounts*. Clients may at any point by a written notice request to receive information on how their securities are deposited in a specific market. In addition, clients may, by written notice, request that their securities in specific markets are separated, this may however mean that Pareto Securities can charge extra fees related to such markets and that clients in some cases won't be able to transact in such securities.

## Pricelist and remunerations

Commissions, fees and remunerations are deducted in accordance with our current pricelist which is available on our website.

## Services related to Custody and Cash accounts

Pareto Securities can provide the following services after entering specific agreements:

- Credit facility (credit application and disposition agreement needs to be entered)
- Stock loans for short selling (credit facility needed)
- Stock and index Options, stock and index - futures/forwards (credit facility needed)
- FX forwards (only for the purpose of hedging bonds, a credit facility needed)

A credit background check will be carried out for clients applying for a credit facility. Please note that a credit facility may only be used for the purposes of purchasing securities through Pareto Securities.

## Credit facility

In order to provide the client with credit in connection with securities trading, the client must sign a disposition agreement. In order to protect the client's rights, the Financial Instruments Trading Act prescribes that securities companies may only repledge the client's financial instruments as collateral if a separate agreement, a so-called disposition agreement, has been reached with the client and the amount pledged may not be a higher amount or be associated with stricter terms and conditions than those applying to the clients' pledge of collateral to the securities company.

The rules regarding re-pledging apply to the securities company's transferral of the right to pledge the client's financial instruments as collateral. A credit check will be carried out for clients wishing to borrow against their custody accounts.

## Investment advisory

To meet legal requirements and allowing our brokers to offer clients individualised investment advice, our brokers must evaluate a client's suitability and appropriateness for investments. These are based on the client's financial situation, knowledge and experience

of different financial investments, investment objectives and level of risk appetite. All investment advisory is based on the gathered information about the client. If any substantial changes may occur which have an impact on our Investment advisory the client must take action and inform us.

The initial documentation should be provided to the client when the account is opened. The client may at any time ask which information we hold in our records.

Pareto Securities provides investment advice in a limited amount of products and only in the assets held in Pareto Securities accounts. Therefore Pareto Securities does not provide investment advice as defined in the legislation as independent advice or ongoing advice. This means that Pareto Securities will not provide ongoing information in regards to changes of value in the clients' current holdings etc.

#### **Client categorization**

Under the Securities Market Act all clients trading in securities are divided into three different categories. The purpose of this is to adapt client protection to the circumstances of the individual client. Private individuals and small companies are considered "non-professional" clients. Larger companies, credit institutions and other financial institutions as well as public bodies and similar organisations with a lower protection requirement are considered "professional" clients. The third category consists of so-called "equal counterparties" and clients in this category have the lowest level of protection under the law. They include bankers, central banks and public authorities.

Pareto Securities categorises all clients as "non-professional" unless otherwise agreed with the client. Clients in the "non-professional" category are covered by the highest level of protection under the law. This means that Pareto Securities must, among other things, provide information about financial instruments and the risks associated with such instruments, as well as the costs and other trading fees. Since all transactions are conducted on a distance a suitability report will be provided after each transaction is completed and where investment advice has been given. The suitability report will be provided on the Pareto Securities website on the client's web portal, where information regarding their personal depot or ISK can be found.

If the client contacts Pareto Securities on the client's own initiative to execute an order involving a so-called simple financial instrument (e.g. equities traded in a regulated market), Pareto Securities provides the services without making an assessment of whether or not the service is suitable for the client.

Clients may apply to be switched to a different category. A "non-professional" client may submit a written request to be treated as "professional." Pareto Securities must then assess the individual client's experience and knowledge of a certain transaction or service and be convinced that the client can make investment decisions and understands the risks that may be associated with the investment. The client then relinquishes the higher client protection status. The same applies when the client has conducted a suitability test in complex products. This is a requirement in order to be able to trade in complex products through execution only.

#### **Deposit guarantees and investor compensation**

Deposit insurance is a state-provided guarantee of deposits in all types of accounts at banks, securities companies and some other institutions. The Swedish National Debt Office has approved Pareto Securities' cash accounts connected to Custody Accounts and Investment Savings Accounts (Investeringssparkonto) to be covered by the deposit insurance.

- The deposit insurance will only take effect when a bank, credit-market company or an investment firm files for bankruptcy.
- The compensation shall not exceed the amount in Swedish kronor which corresponds to 950,000 SEK at the time when the right to compensation vests.
- You may receive a maximum of 100,000 euro per institution. If an account is opened under two or more peoples' names, each is treated individually for these purposes.
- The Debt Office pays compensation within seven working days from the day the guarantee came into effect. In such circumstances, compensation is paid out by the Swedish National Debt Office, without the necessity of making special application.

Pursuant to the Act on Investor Compensation Scheme (1999:158) providing investor protection, in the event of Pareto Securities' insolvent liquidation and where the Client is not able to withdraw financial instruments deposited with Pareto Securities, the Client has the right to individual compensation in an amount prescribed by law, which as of 1 July 2009 shall not exceed SEK 250,000. Such compensation can also include liquid funds for which Pareto Securities is accountable. Not later than one year from the date of the insolvency order a Client seeking compensation must submit a demand to the Swedish National Debt Office, which pays compensation following an assessment.

More information about the Deposit guarantees and investor compensation can be found on The Swedish National Debt Office web page [www.riksdagen.se/insattningssgarantin](http://www.riksdagen.se/insattningssgarantin)

### **Reports from Pareto Securities**

For every executed order a contract note will be sent to the address, e-mail or the fax number which has been provided. Custodian clients may receive a monthly account statement presenting the client's holdings and transactions performed during the month. The information can also be obtained through Pareto Securities Online services. Custodian clients will receive an annual statement presenting holdings as of December 31<sup>st</sup> and a list of all transactions performed during the year.

### **Telephone recordings and storage of information**

In line with current regulation phone calls between clients and brokers, corporate finance, and administrative staff is recorded when placing orders, receiving investment advice, questions regarding client service related matters or other calls that might lead to an investment service being utilized. This applies to both landlines and cell phones and they are recorded and stored for at least 5 years.

E-mail sent to or from an e-mail address registered at Pareto Securities is also stored and saved for a minimum of 5 years.

Clients may, after a written request and payment of a reasonable fee get access to specific calls or e-mail correspondence.

### **Language**

Unless otherwise agreed upon, Swedish is the language used in all communication between Pareto Securities and the client as well as in documents and other information distributed from Pareto Securities. Information can be provided in English if agreed upon. Information and materials distributed from our research team are always in English.

### **Complaints**

A client who is dissatisfied with any of Pareto Securities' services is advised to contact us to explain the complaint as soon as possible. Please contact the person or the business area within Pareto Securities which handled the assignment in first hand. If you cannot come to a settlement or is still not satisfied thereafter you may send a written complaint with the attention 'Complaints' to Pareto Securities. A client will receive a confirmation in writing that the complaint has been received and is being processed.

Clients who are consumers can also obtain advice from the Swedish Consumers' Banking & Finance Bureau. In order to have case examined, clients can contact the National Board for Consumer Disputes (ARN) or a public court of law. Complaints must be submitted to ARN within six months from the date Pareto Securities first fully or partially rejected the client's claim. ARN provides recommendations on how disputes between clients and securities institutions should be resolved. For more information, please visit [www.arn.se](http://www.arn.se). The person responsible for Complaints at Pareto Securities is Head of Legal and Compliance, Fredric Blommé Sekund.

### **Conflicts of interest and incentives**

Pareto Securities has established guidelines to manage conflicts of interest. The guidelines are based on the rules and guidelines on conflicts of interest issued by the Swedish Financial Supervisory Authority and the Swedish Securities Dealers Association. The purposes of the guidelines are aimed at preventing conflicts of interest from arising and, if a conflict of interest should arise, preventing a negative impact on the interests of Pareto Securities' clients. The guidelines describe potential conflicts of interest and measures to take to prevent negative impacts. The guidelines indicate how a sufficient level of independence should be able to be attained in order to avoid, to the greatest extent possible, any conflicts of interest from arising between different departments, units and sub-units within the company and within the Group. The purpose of such measures includes preventing the exchange of information between certain units and sub-units where conflicts of interest can occur and ensuring the independence of the employees. Pareto Securities can upon request provide additional information on the guidelines for handling conflicts of interest.

Pareto Securities has agreements with a number of partners regarding the referral of clients to the company. Under these agreements, Pareto Securities shares income derived from brokerage and custodial fees etc. with partners who have referred clients to Pareto Securities. When Pareto Securities mediates transactions with trust units and other financial instruments, Pareto Securities may receive compensation from the fund company or issuer according the agreed terms and conditions. The terms and conditions for compensation and payment of compensation as described in this section are designed to raise the quality of the service provided to the client and not to prevent Pareto Securities, or the incentive recipient, from fulfilling its obligation to act in the best interest of the client. The quality enhancing services provided by Pareto Securities provide are a wide selection of products, staff with high competence and availability and access to our services through our digital platforms. Pareto Securities can upon request provide additional information about these compensation payments. Additional information in regards to remuneration received from third-parties can be found on Pareto Securities pricelist on the website. There you can also find information as to how costs and remunerations might affect investments.

A description of Pareto Securities conflict of interest policy can be found on our website <http://paretosec.com/terms-and-conditions.php>.

## INFORMATION RELATED TO THE GENERAL DATA PROTECTION REGULATION

Pareto Securities is liable for personal data under the General Data Protection Regulation (GDPR). GDPRs objective is to prevent violation of our clients' personal integrity when processing personal data.

Personal data which the client provides Pareto Securities with, when using our services (when signing an agreement or when e.g. a credit background check is performed), will be managed by Pareto Securities to fulfil the current assignment and, or eventual legal obligations.

Personal data may also be used as a basis for Pareto Securities' market and client analysis, business and method development and statistics and risk management. Pareto Securities may also use personal data for marketing purposes unless a request has been made for no direct advertising.

Personal data obtained during transactions executed over the phone is also processed in that the phone call is recorded. In order to maintain accurate registers and good client care, Pareto Securities may supplement personal data by obtaining information from private or public registers, e.g. by updating address information using the Swedish public personal address register (SPAR). Personal data may sometimes, for certain stated purposes – taking confidentiality rules into consideration – be disclosed to companies or organisations that Pareto Securities works with, e.g. UC (Swedish business and credit information agency) and clearing houses. In certain cases Pareto Securities is also legally obligated to disclose information, e.g. to the Swedish Financial Supervisory Authority and tax authorities.

If you would like to receive information on which of your personal data Pareto Securities has processed you can submit a written request to [dataprotection@paretosec.com](mailto:dataprotection@paretosec.com). You can also apply to the same address if you do not wish to receive direct advertising from Pareto Securities or to request a correction of inaccurate or incomplete personal data. More information regarding Pareto Securities handling of personal data and privacy notice can be found at <http://paretosec.com/global-privacy-notice.php>

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