

Appendix 2

CUSTOMER CLASSIFICATION INFORMATION

(Valid from 1 May 2020)

1. CLASSIFICATION

Arctic Asset Management AS (the "Company") is required to classify all our customers into different customer categories depending on professionalism. Customers shall be classified as non-professional customers, professional customers or eligible counterparties, respectively.

The extent to which the customer is protected by law depends on the customer category. Below is an account of the main features of investor protection for each customer category. The statement is not exhaustive.

The legislation allows to a certain extent that customers who wish to change customer category can request this from the Company. We emphasize that a change of customer category must be approved by the Company. Although the conditions for reclassification that follow below are met, we are still free to assess whether we wish to comply with such a request.

2. NON-PROFESSIONAL CUSTOMER

2.1 Degree of investor protection

Customers classified in this customer group have the highest degree of investor protection. This means, among other things, that the Company is obliged to a greater extent than for the other customer categories to adapt the service to the customer's individual needs and prerequisites.

The Company in its service to the customer is subject to general rules of good business practice. In addition, the Company will, when providing the investment services investment advice and portfolio management, assess whether the service or transaction is suitable for the customer. The Company will request and obtain information from the customer that will form the basis for the suitability assessment, including the customer's investment objectives, financial position and experience and knowledge of the relevant service/transaction. If the service is not considered suitable for the customer, it will not be performed. When providing investment advice to non-professional clients, the customer will receive a declaration of suitability which includes a summary of the suitability assessment and the advice given.

When providing the investment service receiving and arranging orders, the Company will assess whether the service/transaction is appropriate for the customer. If the customer wishes to carry out a trade which the Company does not find appropriate taking into account the customer's knowledge and experience, the Company has a duty to advise against. The trade can still be completed if the customer so desires despite the warning. The company's obligation to assess whether a service/transaction is appropriate does not apply in all cases. Among other things, there are exceptions for internet trading (so-called "execution only" services).

Status as a non-professional customer also entails a comprehensive right to receive information from the Company. The Company is obliged, among other things, to inform about the relevant financial instruments and risks associated with these, the trading systems and marketplaces the company uses, as well as prices and other costs of any transaction so that the customer is able to make an informed investment decision.

2.2 Access to reclassification

Non-professional clients may request to be treated as professional clients provided that specified conditions are met and that a specified procedure is followed. Such reclassification entails a lower degree of investor protection.

2.2.1 From non-professional to professional customer

1) Terms

The customer must meet at least two of the following criteria:

- (i) the customer has made transactions of significant size in the relevant market on average 10 times per quarter in the previous four quarters,
- (ii) the size of the client's financial portfolio, defined to include cash and financial instruments, exceeds an amount which in Norwegian kroner corresponds to EUR 500,000,
- (iii) the customer works or has worked in the financial sector for at least one year in a position that requires knowledge of the relevant transactions and investment services.

2) Procedure

The customer must inform the Company in writing that he/she/it wishes to be treated as a professional. This may apply in general or in connection with a specific service, transaction or product. The customer must document that the requirements in point 1) above have been met. Furthermore, the customer must declare in writing in a separate document that the customer knows the consequences of losing the protection that follows from being classified as a non-professional customer and which mainly appears from this information document. For further information, the Company can be contacted.

Before the request can be accepted, the Company will make a concrete and independent assessment of whether the customer, based on the customer's expertise, experience and knowledge as well as the planned transactions, is able to make their own investment decisions and understand the risk involved.

3. PROFESSIONAL CUSTOMER

3.1 Degree of investor protection

Customers classified as professional customers are to a somewhat lesser extent than non-professional customers protected by the legislation. Professional customers are in some areas considered fit to look after their own interests and the service will, as a result, to a lesser extent be adapted to the customer's individual needs.

In principle, the rules of good business practice apply fully to professional customers. However, the scope of the Company's obligations is somewhat reduced.

The requirement to carry out a suitability and appropriateness test also applies to professional clients, but the Company can assume that a professional client has the necessary knowledge and experience to understand the risk involved in connection with the investment areas where the client is classified as a professional.

The company has greater flexibility to agree on restrictions in the information provided about prices and costs when order receipt and transmission is provided to professional customers.

Professional customers will receive information about the Company and reports on completed services and other important information on an equal footing with non-professional customers. With regard to information about the relevant financial instruments and the risks associated with these, the Company can adapt the information to the customer's professionalism.

3.2 Access to reclassification

Professional clients can request to be classified as non-professional clients and thus receive a higher degree of investor protection. Professional clients can also request to be classified as eligible counterparties and thereby receive a lower degree of investor protection. Professional customers are responsible for ensuring that the Company is kept informed of any changes that may affect their classification.

3.2.1 From professional to non-professional customer

Professional customers may request the Company in writing to be treated as a non-professional. This may apply in general or in connection with a specific service, transaction or product.

Reclassification depends on the Company agreeing to the request and an agreement being entered into between the customer and the Company. It is the professional customer's responsibility to request a higher degree of protection when he/she/it feels unable to properly assess or manage the risks involved.

3.2.2 From professional to eligible counterparty

Professional clients who meet the conditions of the Securities Trading Act to be considered an eligible counterparty may request the Company to be treated as an eligible counterparty. This may apply in general or in connection with a specific service, transaction or product. The Company will give the customer a written warning about the consequences of classification as an eligible counterparty, including the protection the customer may lose. The customer must confirm in writing the request for treatment as an eligible counterparty and that the customer has understood the consequences of losing the protection as a result of the request.

4. ELIGIBLE COUNTERPARTY

4.1 Degree of investor protection

Eligible counterparties have the lowest level of investor protection.

Customers with the status as eligible counterparty basically have the same protection as a professional customer, see section 3. However, investor protection is significantly reduced for this group when the Company provides the investment service of receiving and transmitting orders. When providing such services to eligible counterparties, the Company is not subject to the Securities Trading Act's provisions on good business practice, best execution (including the Company's guidelines for best execution), the rules on suitability and appropriateness testing, and certain rules in connection with order processing, information and reporting.

The Company is subject to requirements to act honestly, fairly and professionally towards eligible counterparties, and communicate in a manner that is clear, concise and not misleading.

4.2 Access to reclassification

Eligible counterparties can request to be classified as a professional customer or non-professional customer and thus receive a higher degree of investor protection.

4.2.1 From eligible counterparty to a professional customer

Eligible counterparties can request to be treated as a professional customer if they want a greater degree of investor protection and to be covered by the rules of good business practice.

The request must be in writing and state whether the request generally concerns one or more investment services or transactions, or one or more types of transactions and products.

4.2.2 From eligible counterparty to a non-professional customer

Eligible counterparties may request to be treated as a non-professional customer if they want an additional level of investor protection.

Section 3.2.1 above will apply correspondingly to such a request.