

1. Client categorisation

Based on the revised Markets in Financial Instruments Directive II and related implementing measures (together “MIFID II”), NIBC Bank N.V. (“NIBC”) categorises its clients into one of the following three categories:

- *Retail Clients*, which afforded the highest level of protection;
- *Professional Clients*, which benefit from an intermediate level of protection;
- *Eligible Counterparties (“ECP”)*, which receive the minimal required level of protection.

This client categorisation is exercised for the purposes of providing MIFID II services. For the list of MIFID II services and financial instruments please refer to the Annex of this document. MIFID II services are divided into investment and ancillary services. NIBC may provide both investment and ancillary services which can relate to one of the MIFID II financial instruments.

These respective client categories reflect the fact that clients have different levels of knowledge and experience, and therefore, the level of regulatory protection differs. Such differences in the regulatory protection under MIFID II cover a broad range of topics including, among others, client disclosure requirements, rules for executing client orders, and assumptions which can be made regarding clients by NIBC. Further details on the different regulatory protection afforded to different client categories are set out below.

2. Notification on your client category

NIBC notifies all new clients about their client categories by sending MIFID II Client Categorisation letter. In case you did not receive such a letter and do not know your NIBC client category, please contact your regular NIBC contact.

3. Scope of protection per category

3.1. Eligible Counterparty Categorisation

NIBC can categorise its clients as ECPs with respect to the following services:

- execution of orders on behalf of its clients;
- dealing on its own account with its clients;
- reception and transmission of its client orders; as well as
- any MIFID II ancillary services (please see Appendix 1 for list of MIFID II investment and ancillary services) which are directly related to any of these three investment services.

In relation to all other investment services and ancillary services, these clients will be treated as Professional Clients.

3.2. The main protection NIBC grants to different client categories are as set out below:

	Retail Clients	Professional Clients	Eligible Counterparties
General principles	NIBC acts honestly, fairly and professionally towards all its clients, and undertakes to communicate in a fair, clear and not misleading way in the relationship with any of its clients. This principle detailed more in other principles below, such as, among others, information provided to the clients, organizational requirements.		
	NIBC undertakes to act in accordance with best interest of its clients.		<i>Not applicable</i>

MiFID II Client Categorisation Information



Best Execution¹	NIBC is required to take all reasonable steps to obtain, when executing orders, the best possible result for its clients taking into account the price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.	The application of this protection is set out in more detail in the NIBC Best Execution Policy. Contrary to the protection of Retail Clients, different factors are prioritized and taken into account for best execution of orders of Professional Clients (e.g. price, cost, speed). In some cases best execution <i>will not be applicable</i> for Professional Clients (based on four-fold cumulative test). Please refer to the NIBC Best Execution policy for more information.	<i>Not applicable</i>
Client order handling²	NIBC ensures the application of the relevant policies and procedures which guarantee the timely and fair execution of its clients' orders in relation to other client orders or in relation to own trading positions of NIBC.		<i>Not applicable</i>
Appropriateness test	When providing execution only services, NIBC tests knowledge and experience of its Retail Clients to assess appropriateness of the envisaged services to clients.	<i>Not applicable</i>	
Suitability test	<i>Not applicable - NIBC does not provide investment advice, therefore, suitability tests are not executed by NIBC.</i>		
Client agreement	When providing investment and ancillary services to its Retail and Professional Clients, NIBC enters into written agreements on paper or another durable medium, setting out the essential rights and obligations of the firm and the client.	No requirement to enter into written agreements applies under MiFID II. NIBC sends Terms and Conditions to its ECP clients. In the absence of any expressed objection from an ECP, consent with NIBC Terms and Conditions is deemed to be received.	
Information provided to clients	In good time before the provision of services, NIBC provides relevant information to its clients regarding, among others, the envisaged service, general information about NIBC, description of financial instruments and risks involved ("pre-contractual information"). When executing clients' orders, NIBC sends reports with the essential information concerning execution of clients' orders, notices confirming execution of clients' orders.	NIBC may send less extensive information to ECP clients.	
	NIBC provides its clients, in good time before the provision of services, with a general description of nature and risks of relevant financial instruments.	NIBC may send less extensive information to Professional and ECP clients.	

¹ Please refer to www.nibc.com for NIBC Best Execution policy for more information.

² Please refer to www.nibc.com for NIBC Best Execution policy for more information.

Cost disclosure	NIBC provides information about costs and charges that is adapted to the relevant client group. For the Retail Clients NIBC discloses ex-ante costs information (before entering into transaction), and ex-post costs information (after the transaction has been executed).	For Professional and ECP clients it is possible to agree a limited application of the cost disclosure requirements. Such a limited application takes effect subject to NIBC internal policies and procedures, agreements with the clients.
Organizational requirements	NIBC has to comply with number of organizational requirements, intended to prevent conflicts of interest, to guarantee continuous and regular provision of its services, to arrange for the records to be kept of all services, activities and transactions; to arrange for, when holding financial instruments belonging to the clients, the safeguard of the ownership rights of its clients. These requirements affect all client categories. NIBC ensures its products approved in accordance with its internal policies and procedures. NIBC product approval process specifies identification of a target market. Based on the identified target market, access to some products may be limited to some categories of clients.	

4. Changing a client category

NIBC clients have the right to request different client category (“opting up” or “opting down”) and NIBC may approve or refuse such request subject to NIBC internal policies and procedures³.

It is within NIBC policy to allow Professional Clients and Retail Clients to opt up to the next higher client category, provided that conditions required by NIBC internal policies and procedures are fulfilled. In principle an opt-up request may only be accepted generally, in relation to all present and future relevant services provided to the client by NIBC.

Opt-up requests from Retail Clients may only be accepted if an adequate assessment of the expertise, experience and knowledge of the client gives reasonable assurance, in light of the nature of the transactions or services envisaged that the client is capable of making the necessary (investment and other relevant) decisions and understands the risks involved. Any such assessment should be supported by evidence.

It is within NIBC policy to allow Professional Clients and Eligible Counterparties to opt down to a lower client category, provided that conditions required by NIBC internal policies and procedures are fulfilled. In principle an opt-down can only be accepted generally, in relation to all present and future relevant services provided to the client by NIBC.

Please note that such change will affect transactions entered into after the acceptance of the change of category as well as the access to certain products and services provided by NIBC.

For more information on the NIBC policy for opting up and opting down and consequences of changing the category please refer to your usual NIBC contact.

³ Please refer to www.nibc.com for templates that can be used to request an opt up or opt down.

Appendix 1

MIFID II Investment and Ancillary Services and Financial Instruments

Investment services

- 1) Reception and transmission of orders in relation to one or more financial instruments
- 2) Execution of orders on behalf of clients
- 3) Dealing on own account with clients
- 4) Portfolio management
- 5) Investment advice
- 6) Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis
- 7) Placing of financial instruments without a firm commitment basis
- 8) Operation of an Multilateral Trading Facility (MTF)
- 9) Operation of an Organised Trading Facility (OTF)

Ancillary services

- 1) Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management and excluding providing and maintaining securities accounts at the top tier level ('central maintenance services')
- 2) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- 3) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings
- 4) Foreign exchange services where these are connected to the provision of investment services;
- 5) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments
- 6) Services related to underwriting
- 7) Investment services and activities as well as ancillary services as set out above, related to the underlying of the derivatives included under points 5), 6), 7) and 10) below where these are connected to the provision of investment or ancillary services

Financial instruments

- 1) Transferable securities
- 2) Money-market instruments
- 3) Units in collective investment undertakings
- 4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash

- 5) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event
- 6) Options, futures, swaps, and any other derivative contracts relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled
- 7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned under 6) and not being for commercial purposes, which have the characteristics of other derivative financial instruments
- 8) Derivative instruments for the transfer of credit risk
- 9) Financial contracts for differences
- 10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF
- 11) Emission allowances consisting of any units recognised for compliance with the requirements of the Emissions Trading Scheme