

CATEGORIZATION OF CLIENTS

1. Retail Clients

Clients in this category receive the highest level of protection under the Act on Securities Transactions no. 108/2007 (the "Act"). This entails that these clients are provided with information on, among other things, the company and the services offered, relevant financial instruments and the associated risks, expenses and other fees for trading in these financial instruments. When these clients are provided with services relating to portfolio management or investment advice, the company has to assess whether a service or a product is suitable for the client, before such service is provided.

In relation to other types of services than portfolio management and investment advice, the bank has to assess whether the service or product is appropriate for the client based on his knowledge and experience. Clients in this category may under certain circumstances wish to be categorized as professional clients. This means that the client would waive some of the protection that applies to retail clients. To assess such a request a retail client will have to apply for re-categorization and provide sufficient information in relation thereto to the bank. Re-categorization is subject to the approval of the bank.

2. Professional Clients

Professional clients are generally expected to have a level of knowledge, experience and expertise to personally make their own decisions regarding investments and to assess the applicable risk. Saga Capital will make no assessment of these clients' experience and knowledge, when providing them with services and products.

The financial strength of these clients is assessed when they are provided with investment advice and portfolio service and the client has been opted-up to this category from a status as a retail client.

Clients in this category can request to be placed in the category of retail clients and receive a higher level of protection than afforded to professional clients. Professional clients may also, upon written request and with Saga Capital's consent change to the category of eligible counterparties and receive a lower level of protection than afforded to professional clients.

3. Eligible Counterparties

Clients in this category enjoy the lowest level of protection provided under the Act. It is assumed that they have the highest level of experience, knowledge and expertise of all clients and are therefore not afforded the protection provided under the Act to retail clients and professional clients. Clients in this category can request to be placed in another category and enjoy a higher level of protection, either as professional clients or retail clients.

If the client wishes to change to a different category or receive further information, please contact H. Rut Jonsdottir at tel. +354-545-2623 or through the email: mifid@sagacapital.is.