

## QUESTIONNAIRE FOR ASSESSMENT OF SUITABILITY AND APPROPRIATENESS

### Question no. 1

Offered product is designed in Euro currency, thus provides protection in case of devaluation of Icelandic Krona.

### Question no. 2 – Investment purpose

- A. Short-term deposit of available funds: product is **not suitable** for the client
- B. Long-term creation of financial reserves without a specific purpose: product **is suitable**
- C. Building up resources for pension: It is necessary to align the insurance period and the investment horizon with the expected retirement age
- D. Long-term creation of reserves for children (studies, dowry): it is necessary to align the insurance period and the investment horizon with the expected choice of funds (study financing, marriage, etc.)
- E. Protection in the event of death (up to 5.000 €). Product **is suitable**
- F. Protection in the event of death (more than 5.000 €) or critical illnesses or disability or other coverages: Product is **not suitable**
- G. Other (specify): it is necessary to consider whether the purpose given by the client can be achieved with this product

### Question no. 3 – Investment horizon

**Answer A:** with regard to the investment horizon, the product **is not suitable for the client**.

**Answers B:** product **may be suitable** for the client by certain product settings thus the suitability must be verified by insurance modulation. It is necessary to add the period during which the product is profitable for the client to the suitability statement.

**Answers C, D, E:** the investment horizon is sufficient; the product **is suitable**.

### Questions no. 4 and 5 – Identifying risk profile

Answers to questions no. 4 and 5 are evaluated together according to the following table. The product **is not suitable** for clients with “Averse” risk profile.

RISK PROFILE		The value of the investment tends to fluctuate over time and may also decrease. At what decrease in value would you start worrying about your investment?				
Please chose the statement that best describes your risk tolerance	Answer	A	B	C	D	E
	A	Averse	Averse	Averse	Averse	Averse
	B	Averse	Conservative	Balanced	Balanced	Growth-oriented
	C	Averse	Conservative	Balanced	Growth-oriented	Growth-oriented
	D	Averse	Conservative	Balanced	Growth-oriented	Growth-oriented

### Question no. 6 – Investment goals

Client's investment goals must be in line with his/her risk profile. The answer to question no. 6 is evaluated in connection with the identified risk profile (based on answers to questions no. 4 and 5). If client's investment goals are more modest than his/her risk profile, client's investment goals take precedence. However, if client's investment goals are more ambitious than the risk profile, the client should be made aware of the discrepancy between his/her expectations and willingness to bear the investment risk. In these cases, it is not possible to prioritize investment goals over the risk profile as this would require investing with a level of risk that the client is unwilling to accept.

TYPE OF INVESTMENT		What is your investment goal? What average return do you expect at the end?			
Identified risk profile	Answer	A	B	C	D
	Averse	Not suitable	Not suitable	Not suitable	Not suitable
	Conservative	Conservative	Conservative	Conservative	Conservative
	Balanced	Conservative	Conservative	Balanced	Balanced
	Growth-oriented	Conservative	Balanced	Growth-oriented	Growth-oriented

Result of the evaluation of questions no. 4 to 6 identifies the type of investment that is suitable for the client with regard to investment goals and risk profile:

**Conservative investment type:** only NOVIS Fixed Income Insurance Fund

**Balanced investment type:** combination of NOVIS Fixed Income Insurance Fund and shares funds (specific restrictions based on the ability to bear losses and the level of knowledge and experience)

**Growth-oriented investment type:** shares funds (NOVIS Global Select Insurance Fund and NOVIS Sustainability Insurance Fund)

## Question no. 7 – Regular source of income

If the client does not have a regular source of income from employment or business, the product **is not suitable**.

## Questions no. 8 and 9 – Evaluation of the financial situation

Answers to questions no. 8 and 9 are evaluated together according to the following table. From the combination of client's disposable monthly income and his/her financial reserves, it is possible to determine the maximum amount of insurance premium, which is sustainable for the client in the long run. The maximum recommended amount of premium must also be stated in the suitability statement. If the client's disposable income is less than 200 € or the client is not able to generate savings, the product **is not suitable**.

	Less than 1 month	1-3 months	4-6 months	7-12 months	More than 12 months
Less than 200 EUR	Not suitable	Not suitable	Not suitable	Not suitable	Not suitable
200 - 399 EUR	Not suitable	30 %	30 %	35 %	40 %
400-899 EUR	Not suitable	30 %	35 %	40 %	45 %
900 - 1399 EUR	Not suitable	35 %	40 %	45 %	50 %
1400 EUR or more	Not suitable	40 %	45 %	50 %	50 %

## Question no. 10 – Evaluation of the ability to bear losses

Question no. 10 investigates what impact a situation would have on the client, if at the end of his/her investment, the client suffers an investment loss of one quarter of the invested sum. Question no. 10 is evaluated together with the answer to question no. 8, which determines the client's disposable income. If the investment loss can significantly affect the client's standard of living, it is necessary (despite the investment goals and risk profile) to recommend a more conservative composition of the investment. If a possible investment loss does not have the potential to significantly and negatively affect the client's standard of living, it is possible to recommend types of investments in accordance with the client's investment goals and risk profile. Any restriction on the composition of the recommended funds must also be stated in the suitability statement.

ABILITY TO BEAR LOSSES		What is your disposable monthly income?				
What would losing a quarter of the invested sum mean to you (at the time of terminating the investment)?	Answer	A	B	C	D	E
	A	Not suitable	Only NOVIS FIXED INCOME Insurance Fund	Only NOVIS FIXED INCOME Insurance Fund	Only NOVIS FIXED INCOME Insurance Fund	Only NOVIS FIXED INCOME Insurance Fund
	B	Not suitable	Only NOVIS FIXED INCOME Insurance Fund	Only NOVIS FIXED INCOME Insurance Fund	NOVIS FIXED INCOME Insurance Fund min. 70 %	NOVIS FIXED INCOME Insurance Fund min. 50 %
	C	Not suitable	NOVIS FIXED INCOME Insurance Fund min. 70 %	NOVIS FIXED INCOME Insurance Fund min. 50 %	NOVIS FIXED INCOME Insurance Fund min. 30 %	Without restrictions
	D	Not suitable	NOVIS FIXED INCOME Insurance Fund min. 30 %	Without restrictions	Without restrictions	Without restrictions

## Question no. 11: Education in the field of investments

The following points are assigned to each answer:

Answer	Number of points
A	0 points
B	1 point
C	2 points
D	3 points
E	4 points

## Question no. 12: Knowledge of investments

The answers to the individual questions are evaluated as follows:

Statement	YES	NO	DON'T KNOW
A	-1 point	1 point	0 points
B	1 point	-1 point	0 points
C	1 point	-1 point	0 points
D	-1 point	1 point	0 points
E	1 point	-1 point	0 points

## Question no. 13: Experience with investments

The individual options chosen by the client are evaluated according to the following table:

	Investing in bonds, bond funds or funds of the money market	Investing in shares, shares funds or mixed funds	Investing in commodities	Investing in properties	Investing in cryptocurrencies	Investing in derivatives (difference contracts, options and others)
I have invested at least once in the last 5 years	1 point	1 point	2 points	2 points	2 points	2 points
I have been investing regularly or repeatedly for at least 5 years	2 points	2 points	3 points	3 points	3 points	3 points
I have already invested a total of more than 15,000 €	1 point	1 point	1 point	1 point	1 point	1 point

### Overall evaluation of knowledge and experience:

The following table is used to evaluate the overall level of knowledge and experience. To determine the level of knowledge, the points obtained for the answers to questions no. 11 and 12 are added, to determine the experience, points from all marked options by the client in question no. 13 are added.

Knowledge	Number of points	Experience	Number of points
Basic	Min. 2 points	Basic	Min. 1 point
Good	Min. 4 points	Good	Min. 3 points
Very good	Min. 5 points	Very good	Min. 4 points
Extensive	Min. 7 points	Extensive	Min. 6 points

It is necessary to obtain the level of knowledge and experience for individual insurance funds according to the following table. It is sufficient if the client acquires the required level of knowledge or experience, therefore it is not necessary to obtain the required level in both areas at the same time. All points obtained in each field shall be used to determine general knowledge and experience; only points relating to a given range of knowledge and experience shall be used to determine the level of specific knowledge and experience. If the client does not have the required level of knowledge and experience, the client must be recommended a type of investment that corresponds to his/her level of knowledge and experience. If the client has no knowledge and experience at all, the product **is not suitable** for the client. It is advisable to recommend the client to acquire more knowledge in the field of investment.

Insurance Fund	Required general level of knowledge or experience	Required level of specific knowledge or experience	Area of specific knowledge or experience
NOVIS Fixed Income Insurance Fund	basic	basic	Bonds or bonds funds
NOVIS Global Select Insurance Fund	good	basic	Shares or mutual funds
NOVIS Sustainability Insurance Fund	good	basic	Shares, bonds, or funds investing in these assets

### DECLARATION OF SUITABILITY

Mark whether the product is or is not suitable for the client. The product is always **not** suitable for the client, if:

- the client does not have a regular source of income from employment or business
- the client's disposable income is less than 100 €
- the client does not have the ability to generate savings (does not have a financial reserve for emergency situations)
- the client is not willing to bear any investment risk (the result of the risk profile assessment is: Averse)
- the client has no investment knowledge and experience or
- the client's investment horizon is not sufficient

If the product is **suitable** for the client, fill in the recommended allocation of the investment according to the evaluation of the answers to the questions in the questionnaire. At the same time, fill in the minimum recommended holding period (according to the evaluation of question no. 3) and the maximum recommended amount of the monthly premium (according to the evaluation of questions no. 8 and 9). Remember to fill in how the type of investment affects the overall recommendation (according to the evaluation of question no. 6), the ability to bear losses (according to the evaluation of question no. 10) and the knowledge and experience (according to the evaluation of questions no. 11 to 13).

#### WHAT IF THE CLIENT IS NOT WILLING TO ANSWER OUR QUESTIONS?

If the client is not willing to answer the questions in questionnaire but the client is interested in our product/s anyway, he/she has to read, understand, mark the checkbox and sign the **DECLARATION OF REFUSAL TO PROVIDE THE REQUIRED INFORMATION** at the end of the Suitability Statement. We require both marking the checkbox and signing this declaration.

#### WHAT IF THE PRODUCT IS NOT SUITABLE BUT THE CLIENT DEMANDS IT ANYWAY?

If the product or the product setting is not suitable for the client, but he/she is interested in our product/s anyway, he/she has to read, understand, mark the checkbox and sign the **DECLARATION OF POSSIBLE INADEQUACY OF THE PRODUCT** at the end of the Suitability Statement. We require both marking the checkbox and signing this declaration.

Please be aware that abundant use of either of these two declarations may lead to actions from the Insurer to make sure that the product is offered in line with the set target market.