

Client Categorisation

***Reference to Admirals Europe Ltd shall always interpreted as "Admirals Europe Ltd (previously named as Admiral Markets Cyprus Ltd)"**

Valid as of 23.11.2023

Admirals Europe Ltd is incorporated (Certificate of Incorporation No. HE 310328) in the Republic of Cyprus through the Department of Registrar of Companies and Official Receiver (<http://www.mcit.gov.cy>). Admirals Europe Ltd is authorised and regulated by the Cyprus Securities and Exchange Commission (<http://www.cysec.gov.cy>) (License No. 201/13) and operates under the Markets in Financial Instruments Directive (EU Directive 2004/39/EC).

1. Introduction

1.1. In order to provide investment services to clients, Admirals Europe Ltd requires, prior to provision of services, the clients to submit information, which is necessary to understand the principal circumstances associated with the client. Also, to provide Admirals Europe Ltd with reasonable grounds to believe that the client has necessary knowledge and experience to understand the risks associated with the product or investment service offered or requested by the client.

1.2. In order to determine the knowledge and experience of the customer with regard to investing, the information obtained by Admirals Europe Ltd shall cover at least the following aspects to the extent that is relevant in terms of clients' classification, the nature and scope of the service provided, the type and complexity of the envisaged service, product and transaction, and the associated risks:

- 1.2.1. the types of investment services, transactions and securities of which the client has sufficient knowledge;
- 1.2.2. the volume, nature and frequency of the client's transactions in securities and the period over which they were conducted;
- 1.2.3. the level of education, profession or, if necessary, previous profession of the client or potential client.

1.3. Admirals Europe Ltd shall have the right to rely on the information provided by the client unless Admirals Europe Ltd is aware or should have been aware of the fact that the submitted information was outdated, inaccurate or incomplete.

2. Retail Client

2.1. A person who is not a professional client or eligible counter-party shall be considered by Admirals Europe Ltd to be a retail client.

3. Professional Client

3.1. Professional Client is a client who possesses the experience, knowledge and expertise to make his own investment decisions and properly assess the risks that he incurs.

3.2. The following persons shall be considered to be professional clients by nature:

3.2.1. entities authorised by a Member State, entities authorised or regulated by a Member State, and entities authorised or regulated by a non-Member State:

3.2.2. credit institutions, investment firms, other authorised or regulated financial institutions, insurance companies, collective investment schemes and management companies of such schemes, pension funds and management companies of such funds, commodity and commodity derivatives dealers;

3.2.3. national and regional governments, public bodies that manage public debt, Central Banks;

3.2.4. international and supranational institutions such as the World Bank, the IMF, the ECB,

3.2.5. the EIB and other similar international organisations;

3.3. The entities mentioned above are considered to be professionals. They are however allowed to request non-professional treatment and Admirals Europe Ltd may agree to provide a higher level of protection. Where the client of Admirals Europe Ltd is an undertaking referred to above, Admirals Europe Ltd must inform him prior to any provision of services that, on the basis of the information available to Admirals Europe Ltd, the client is deemed to be a professional client, and will be treated as such unless Admirals Europe Ltd and the client agree otherwise. The client may request a variation of the terms of the agreement in order to secure a higher degree of protection.

3.4. This higher level of protection will be provided when a client who is considered to be a professional enters into a written agreement with Admirals Europe Ltd to the effect that it shall not be treated as a professional for the purposes of the applicable conduct of business regime. Such agreement should specify whether this applies to one or more particular services or transactions, or to one or more types of product or transaction.

3.5. The following persons may be treated as professionals on request.

3.5.1. Clients other than those mentioned in section 3.2.1. including public sector bodies and private individual investors, may also be allowed to waive some of the protections afforded by the conduct of business rules of Admirals Europe Ltd.

3.5.2. Admirals Europe Ltd is allowed to treat any of the above clients as professionals provided the relevant criteria and procedure mentioned below are fulfilled. These clients are not, however, presumed to possess market knowledge and experience comparable to that of the categories listed in section 3.2.1.

3.5.3. Any such waiver of the protection afforded by the standard conduct of business regime shall be considered valid only if an adequate assessment of the expertise, experience and knowledge of the client, undertaken by Admirals Europe Ltd, gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the client is capable of making his own investment decisions and understands the risks involved.

3.5.4. The fitness test applied to managers and directors of entities licensed under European Directives in the financial field could be regarded as an example of the assessment of expertise and knowledge. In the case of small entities, the person subject to the above assessment should be the person authorised to carry out transactions on behalf of the entity.

3.5.5. In the course of the above assessment, as a minimum, two of the following criteria should be satisfied:

- the client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters,
- the size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500 000
- the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

3.6. The clients defined above may waive the benefit of the detailed rules of conduct only when the procedure below is followed:

- they must state in writing to Admirals Europe Ltd that they wish to be treated as a professional client, either generally or in respect of a particular investment service or transaction, or type of transaction or product,
- Admirals Europe Ltd must give them a clear written warning of the protection and investor compensation rights they may lose,

- they must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protection.

3.7. Before deciding to accept any request for waiver, Admirals Europe Ltd is required to take all reasonable steps to ensure that the client requesting to be treated as a professional client meets the relevant requirements stated above.

3.8. Professional clients are responsible for keeping Admirals Europe Ltd informed about any change, which could affect their current categorisation. Should Admirals Europe Ltd become aware however that the client no longer fulfils the initial conditions, which made him eligible for professional treatment, then Admirals Europe Ltd will take appropriate action.

4. Eligible Counterparty

4.1. The following persons can be classified as eligible counter-parties only in relation to the provision of the service of reception and transmission of securities orders, execution of securities orders on behalf or on account of clients and dealing in securities on own account:

- entities authorised by a Member State, entities authorised or regulated by a Member State, and entities authorised or regulated by a non-Member State;
- credit institutions, investment firms, other authorised or regulated financial institutions, insurance companies, collective investment schemes and management companies of such schemes, pension funds and management companies of such funds, commodity and commodity derivatives dealers;
- national and regional governments, public bodies that manage public debt, Central Banks;
- international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations;
- persons whose principal business is dealing in commodities or commodity derivatives on own account;
- persons who deal on own account on financial futures, options or other derivative instrument markets and money markets only for the purpose of securing the investments made on the derivative instrument markets, or who make transactions on account of the participants in the said markets or establish pricing principles for them, and whose transaction executions are secured by persons who organize settlement on the same markets.

5. Request for different Categorisation

5.1. A retail client can request to be categorized as a professional client. The client therefore accepts a lower level of protection.

5.2. A professional client can request to be categorized as a retail client. The client therefore obtains higher level of protection.

5.3. An eligible counterparty can request to be categorized as a professional client or a retail client. The client obtains higher level of protection.

5.4. Admirals Europe Ltd reserves the right to decline any of the above requests for a different categorization.