

CLIENT CATEGORISATION POLICY

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Following the implementation of the Markets in Financial Instruments Directive II (MiFID II) in the European Union and in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017) in Cyprus, all Cypriot Investment Firms (hereinafter called CIF's) are required to categorize their Clients according to their investment experience and overall knowledge on the Financial markets. The Law categorizes clients as 'retail', 'professional' and/or 'eligible counterparties' (ECP).

1. CLIENT CATEGORISATION

The Company, notifies the potential clients of the clients' classification in use by the Company, and informs them about the category in which they are initially classified by the Company. The Firm automatically categorizes all Clients as 'Retail Clients'.

2. CATEGORISATION CRITERIA

Retail clients

Retail clients are those who fall neither in the eligible counterparty nor in the professional clients categories, and include those who have applied for "opt-down" status, i.e. professional clients who have requested in writing to be treated as non-professional (retail) clients and who receive the maximum level of protection provided for by MiFID II.

Professional Clients

Professional client is a client who under MiFID II is assumed to possess the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. In order to be considered a professional client, the client must comply with the following criteria:

2.1. Categories of client who are considered to be professionals:

Entities which are required to be authorized or regulated to operate in the financial markets. The list below should be understood as including all authorized entities carrying out the characteristic activities of the entities mentioned: entities authorized by a member state under a European Community Directive, entities authorized or regulated by a member state without reference to such Directive, and entities authorized or regulated by a non-Member State:

- Credit institutions;

- IFs;
- Other authorized or regulated financial institutions;
- Insurance undertakings;
- Collective investment schemes and management companies of such schemes;
- Pension funds and management companies of such funds;
- Commodity and commodity derivatives dealers;
- Locals Investment firms;
- Other institutional investors

Large undertakings meeting two of the following size requirements, on a proportional basis:

- Total balance sheet: EUR 20,000,000
- Net turnover: EUR 40,000,000
- Own funds: EUR 2,000,000

National and regional governments, public bodies that manage public debt, central banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations.

Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitization of assets or other financing transactions

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

Clients who may be treated as professional clients on request:

Clients other than those mentioned on Paragraph 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 regime.

The Company is allowed to treat any of the above Clients as Professional Clients provided that the relevant criteria and procedure justified below is met. Such waiver will only be applicable if an

adequate assessment of the expertise, experience and knowledge is valid, for example a fitness test.

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

- a) 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;
- b) The size of the Client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR500,000;
- c) 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.

The Clients defined above may waive the benefit of the detailed rules of conduct only where the following procedure is followed:

- a) The Clients must state in writing to the Company 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;
- b) The Company will give them a clear written warning of the protections and investor compensation rights they might lose;
- c) The clients must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections.

If all the conditions mentioned above are met then the Company may accept to accept the request from the Client to be treated as a Professional Client.

Professional clients are responsible for keeping the Company informed of any change which could affect their categorization as professional clients and. If the Company is made and/or becomes aware that a professional client no longer fulfils the initial conditions that made him eligible for a professional client treatment, it may take appropriate action, including re-categorizing the client where applicable and/or terminating the business and/or trading line with the Client.

3. REQUEST FOR DIFFERENT CATEGORISATION

In accordance with Section II above, the following request may be submitted to the company:

- a) A Retail Client requesting to be categorised as a Professional Client. In that case the Client will be afforded a lower level of protection.

b) A Professional Client requesting to be categorised as a Retail Client. In that case the Client seeks to obtain a higher level of protection.

c) An Eligible Counterparty requesting to be categorised as a Professional Client or Retail Client. In that case the Client seeks to obtain a higher level of protection.

The Company reserves the right to decline any of the above requests for different categorisation.

4. PROTECTION RIGHTS

4.1. Retail Clients/ Professional Clients

Where we treat you as a retail client, you will be entitled to more protections under the law than you would be entitled to as a professional client. In summary, the additional protections retail clients are entitled to are as follows:

a) A retail client will be given more information disclosures with regard to ourselves, our services and any investments, our costs, commissions, fees and charges and the safeguarding of client financial instruments and client funds.

b) Under the law, where we provide investment services other than investment advice (in the form of personal recommendations) or non-discretionary portfolio management, we shall ask a retail client to provide information regarding his knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded so as to enable the investment firm to assess whether the investments service or product envisaged is appropriate for the client. In case we consider, on the basis of the information received, that the product or service is not appropriate to a retail client, we shall warn the client accordingly. Please note that we are not required to assess appropriateness in certain cases specified by law.

c) We shall be entitled to assume that a professional client has the necessary experience and knowledge in order to understand the risks involved in relation to those particular investment services or transactions, or types of transaction or product, for which the client is classified as a professional client.

d) Consequently, and unlike the situation with a retail client, we should not generally need to obtain additional information from the client for the purposes of the assessment of appropriateness for those products and services for which they have been classified as a professional client.

e) When executing orders, investment firms and credit institutions providing investment services must take all reasonable steps to achieve what is called “best execution” of the client’s orders that is to obtain the best possible result for their clients.

f) Where we execute an order on behalf of a retain client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

g) When providing professional clients with best execution we are not required to prioritise the overall costs of the transaction as being the most important factor in achieving best execution for them.

h) Investment firms and credit institutions providing investment services must obtain from clients such information as is necessary for the firm or credit institution, as the case may be, to understand the essential facts about the client and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended in the course of providing the service of investment advice, or entered into in the course of providing a nondiscretionary portfolio management service, satisfies the following criteria:

- I. It meets the investment objectives of the client in question;
- II. It is such that the client is able financially to bear any related investment risks consistent with his investment objectives;
- III. It is such that the client has the necessary experience and knowledge in order to understand the risks involved in the transaction or in the management of his portfolio.

Where we provide an investment service to a professional client we shall be entitled to assume that, in relation to the products, transactions and services for which it is so classified, the client has the necessary level of experience and knowledge for the purposes of paragraph (iii) above. In addition, under certain circumstances, we shall be entitled to assume that a professional client is able financially to bear any investment risks consistent with its investment objectives.

- i) We must inform retail clients of material difficulties relevant to the proper carrying out of their order(s) promptly upon becoming aware of the difficulty.
- j) We are required to provide retail clients with more information than professional clients as regards execution of orders
- k) We shall not use financial instruments held by us on behalf of a client for our own account or the account of another client of ourselves, without the client's prior express consent to the use of the instruments on specified terms, as evidenced, in the case of a retail client, by his signature or equivalent alternative mechanism.
- l) Retail clients may be entitled to compensation under the Investor Compensation Fund for Clients of Investment Firms

4.2. Eligible Counterparties

Where we treat you as an eligible counterparty, you will be entitled to less protection under the law than you would receive as a professional client in respect of the reception and transmission of orders, the execution of orders and/or any ancillary service directly related to such transactions. In addition to the above, where we treat you as an eligible counterparty, we are not required to:

- a) provide you with best execution for your orders
- b) disclose to you information regarding any fees or commissions that we pay or receive
- c) assess the appropriateness of a product or service that we provide to you
- d) provide you with information about ourselves, our services and the arrangements through which we will be remunerated
- e) provide you with risk disclosures on the products or services you buy from us
- f) reports to you on the execution of your orders.

Trade Responsibly: Contracts for Difference (CFD) trading carries a high level of risk to your capital and can result in losses that exceed your initial deposit. CFD trading may not be suitable for everyone, so please ensure that you fully understand the risks involved. Before deciding to trade, you need to ensure that you understand the risks involved considering your investment objectives and level of experience. Past performance of CFDs is not a reliable indicator of future results. Most CFDs have no set maturity date - CFD positions typically mature on the date you choose to close the relevant existing open position. You should seek independent financial advice, if you feel it is necessary or appropriate. Please read carefully the relevant Risk Disclosure, available here [Legal Documentation](#)

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