

FREEDOM FINANCE EUROPE LTD

CLIENT CATEGORIZATION POLICY

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1. Introduction

1.1. Freedom Finance Europe Limited (hereinafter called the “Company”) is a Cypriot Investment Firm (“CIF”) registered with the Registrar of Companies under number HE 324220 and regulated by the Cyprus Securities & Exchange Commission (“CySEC”) under license number 275/15.

1.2. Following the requirements and/or obligations implemented by the following laws and regulations and in compliance with the current legal framework:

- the Law 183(I)/2025 the Investment Services and Activities and Regulated Markets (amending the Law 87(I)/2017) (No. 2) Law of 2025 which transposes the MiFID II / MiFIR amendments adopted at EU level in 2024-2025 as of 17 October 2025;
- the Law 87(1)/2017 for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related markets (the “Law”);
- the Commission Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council about organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (the “Directive”);
- ESMA35-43-3172 Guidelines on certain aspects of the MiFID II suitability requirements as of 04 April 2023
- ESMA35-43-349 Q&As on MiFID II and MiFIR investor protection topics as of 15 December 2023
- ESMA35-43-620 Guidelines on MiFID II product governance requirements as of 05 February 2018
- CESR/10-1040 Technical Advice to the European Commission in the context of the MiFID Review – Client Categorisation as of October 2010

the company has developed an adequate Client Categorization Policy that is adopted by the Board of Directors and communicated to everyone involved to ensure their

commitment to it.

2. Definitions

- 2.1. **Client / Customer** refers to any person from whom, or on whose behalf, the Company receives, acquires or holds funds or securities for the account of such person.
- 2.2. **Retail Client** means a client who is neither a Professional Client nor an Eligible Counterparty. Except for Clients who meet the requirements set out in sections 5.2 and 5.3 of the present Policy or unless informed otherwise in writing, all Clients are categorized as Retail Clients (for more information, please, check section 5.1 of the present Policy).
- 2.3. **“Elective” Professional Client** means a Retail Client who may be treated as a Professional Client on request, following the fulfillment of two out of three criteria, stipulated in Section 7.1 of this Policy (for more information, please, check section 5.2 and 7.1 of the present Policy).
- 2.4. **“Per-se” Professional Client** is a classification within the MiFID II framework for clients who are considered professional by default based on specific criteria, experience, and size, without needing to meet additional qualification assessments. These clients are deemed to have sufficient knowledge, experience, and financial capability to understand the risks associated with complex financial products, so they receive a lower level of regulatory protection compared to retail clients (for more information, please, check section 5.2.1 of this Policy).
- 2.5. **Eligible Counterparty (ECP)** is a category under MiFID II for clients who are considered the most experienced and financially capable within the investment industry, can engage in trading transactions in large volumes, are often financial institutions or entities with significant expertise and fulfill any of the criteria stipulated in Section 5.3 of this Policy.
- 2.6. **Financial Instrument** means an asset or evidence of the ownership of an asset

or a contractual agreement between two parties to receive or deliver another financial instrument.

2.7. **Investment Services / Investment Activities** are any of the services / activities offered by the Company for which the Company has obtained the relevant license. In particular, the Company currently offers the following types of Investment and Ancillary Services:

- a) Reception and transmission of orders in relation to one or more Financial Instruments;
- b) Execution of orders on behalf of Clients;
- c) Dealing on own account;
- d) Portfolio Management;
- e) Provision of investment advice;
- f) Safekeeping and administration of financial instruments, including custodianship and related services;
- g) Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;
- h) Foreign exchange services where these are connected to the provision of investment services;
- i) Investment research and financial analysis or other forms.

3. **Scope and purpose**

3.1. The purpose of the present Policy is to inform the Clients or potential Clients of the Company about the procedures for classifying Clients and the level of investor protection rights arising from such classification, as well as to explain, that in certain cases the Client has the right to request a different categorization and what limitations to the level of client protection this categorization would entail.

3.2. The present Policy also might be considered as a written warning of the protections and investor compensation rights a client might lose by being treated as a professional client as opposed to a retail client, and as an eligible counterparty as opposed to a

professional client or a retail client.

- 3.3. The present Policy is communicated to all relevant staff members of the Company who are involved in the client categorization process, as well as to the Company's Clients and potential Clients in accordance with the Law.
- 3.4. All concerned employees should be aware of the provisions of this document and understand the role and importance of client categorization in determining the level of investor protection required to be offered.
- 3.5. In addition, the Policy forms part of the Client's agreement, namely the General Terms of Business of the Company, thus the Client is also bound by the terms of the present Policy, as set out herein.

4. General principles

- 4.1. Following the requirements of the applicable law, prior to the provision of the investment services, the Company proceeds with the categorization of the Client. The categorization is necessary for the Company to be provided with reasonable grounds to believe that the Client has the necessary knowledge and background experience to enable him/her to understand the risks associated with the product or investment service offered or requested by the Client.
- 4.2. The Company recognizes and accepts that the Clients or potential Clients may have different levels of knowledge, experience and skills in the investment field relevant to the specific type of product or services offered or requested. As a result, all the Clients are classified in three main categories:
 - a) Retail Client,
 - b) Professional Client ("per-se" professional client, elective professional client)
 - c) Eligible Counterparty.

- 4.3. Under the present categorization and in accordance with the provisions of the law, a retail client benefits from the highest level of protection, compared to a Professional Client or an Eligible Counterparty, which bare a reduced level of protection due to the fact that they are considered more experienced and knowledgeable in carrying out transactions in financial instruments.
- 4.4. The Company shall inform new Clients and existing Clients about the category in which they are classified by the Company.
- 4.5. The Company shall also inform clients about their rights to request a different categorization and about any limitations to the level of client protection that a different categorization would entail.
- 4.6. The Company has the right to review the Client Categorization and change Client's category if this is deemed necessary subject to applicable regulations.
- 4.7. The Clients categorization procedure shall not be used, directly or indirectly, to circumvent the Company's obligations relating to appropriateness, suitability, product governance, disclosure or any other investor protection requirements. The Company prohibits any practices and actions aimed at influencing or encouraging Clients to request a higher-risk categorization in order to bypass regulatory safeguards to get access to restricted financial instruments.
- 4.8. The Company shall ensure that client categorization is applied consistently across all jurisdictions in which it operates, including cross-border services and tied agent arrangements.

5. Client categorization

5.1. Retail clients

- 5.1.1. Under MiFID II, Retail Clients are those Clients who cannot be categorized as Professional Clients or Eligible Counterparties and receive the highest level of

investor protection under MiFID II.

- 5.1.2. Retail Clients cannot be presumed to possess by default adequate knowledge or experience to assess the risks they incur in investment services, activities and financial instruments in contrast to Professional Clients or Eligible Counterparties and, depending on the specific investment service requested and the complexity of the financial instrument involved, they are subject to the appropriateness assessment.
- 5.1.3. Once the Client is categorized as a Retail Client, a client categorization shall be reflected in the Admin panel of the Company's Tradernet system under Client Profile – Compliance – MIFID Categorization section accessible to the Company's responsible employees.
- 5.1.4. In case a Retail Client expresses a wish to change his category to a Professional Client, they shall submit the request accompanied by a fulfilled and signed Professional Client Application Form (please, check Appendix 1). The re-categorization request is submitted by means of a request within the Tradernet platform.
- 5.1.5. For the request to be approved by the Company, 2 out of 3 Professional client criteria must be met.
- 5.1.6. The Company's Compliance Department analyzes and assesses the Form. If it is deemed necessary, documentary evidence may be additionally requested. At the latest stage of the categorization procedure, the obtained Professional client status needs to be reflected in all the Company's internal systems and databases.

5.2. Professional Clients

- 5.2.0.1. Professional clients are clients who are considered to possess the experience, knowledge and expertise to make their own investment decisions, as well as to properly assess the risks that they will incur.
- 5.2.0.2. Professional Clients can be divided into two categories in accordance with Part I

of the Second Appendix of the Law87(I)/2017 “Per-se Professional Client” and in accordance with Part II of the Second Appendix of the Law87(I)/2017 as “Elective Professional Clients”.

5.2.1. “Per-se” Professional Clients

5.2.1.1. The following categories of Clients are considered to be Professional Clients in all Investment Services and Financial Instruments:

- (1) Entities that are required to be authorized or regulated to operate in the financial markets. The list below shall be understood as including all authorized entities carrying out the characteristic activities of the entities mentioned: entities authorized by a Member State under the Directive, entities authorized or regulated by a Member State without reference to the Directive, and entities authorized or regulated by a third country:
 - (a) Credit institutions;
 - (b) Investment firms;
 - (c) Other authorized or regulated financial institutions;
 - (d) Insurance companies;
 - (e) Collective investment schemes and management companies of such schemes;
 - (f) Pension funds and management companies of such funds;
 - (g) Commodity and commodity derivatives dealers;
 - (h) Other authorized or regulated financial institutions.

- (2) Large undertakings meeting two of the following size requirements on a company basis:
 - balance sheet total: EUR 20 million;
 - net turnover: EUR: 40 million;
 - own funds: EUR: 2 million;

- (3) National and regional governments, including public bodies that manage public

debt at the national or regional level, Central Banks, and international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organizations.

- (4) Other institutional investors whose main activity is to invest in financial institutions, including entities dedicated to the securitization of assets or other financing transactions.

5.2.1.2. The entities referred to above are considered to be Professional Clients. Prior to any provision of services, the Company will inform the Client that, based on 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 agree otherwise.

5.2.1.3. “Per-se” Professional Clients are responsible for keeping the Company informed about any change that could affect their current categorization. However, appropriate action will be taken should the Company become aware that the Client no longer fulfills the initial conditions, which made it eligible for professional treatment.

5.2.1.4. Once the Client is categorized as a “Per-se” Professional Client, it shall be specified in the Admin panel of the Company’s Tradernet system under Client Profile – Compliance – MIFID Categorization section accessible to the Company’s responsible employees.

5.2.2. “Elective” Professional Clients

5.2.2.1. Clients who would otherwise be categorized as Retail Clients may be allowed to waive some of the protection afforded by the conduct of business rules by requesting to be categorized as “Elective” Professional Clients. However, such Clients will not be presumed to possess market knowledge and experience compared to Per-se Professional Clients and/or Eligible Counterparties.

5.2.2.2. Upon such a request, the Company shall undertake an assessment of the expertise, experience and knowledge of such clients in accordance with its internal policies and procedures.

5.2.2.3. Once a client is classified as an “Elective” Professional Client, the range of protections provided by MiFID II will be waived.

5.2.2.4. Any such waiver of the protection afforded by the standard conduct of the business regime shall be considered valid only if an adequate assessment of the expertise, experience, and knowledge of the Client, undertaken by the Company, gives reasonable assurance, considering the nature of the transactions or services envisaged, that the Client can make his own investment decisions and understands all the risks involved.

5.2.2.5. Once the Client is categorized as a “Elective” Professional Client, it shall be specified in the Admin panel of the Company’s Tradernet system under Client Profile – Compliance – MIFID Categorization section accessible to the Company’s responsible employees.

5.3. Eligible Counterparty

5.3.1. Eligible Counterparty refers to institutions or entities that engage in transactions where the investment firm executes orders, deals on their own account, or receives and transmits orders on behalf of the client, in particular:

- investment firms,
- credit institutions,
- insurance companies,
- UCITS and their management companies,
- pension funds and their management companies,
- other financial institutions authorized and regulated under EU law or the national law of an EU Member State,
- national governments and their corresponding offices including public bodies that deal with public debt at national level,

- central banks and supranational organizations.

5.3.2. Non-EU entities equivalent to the entities referred to in the above paragraph are also treated as eligible counterparties.

5.3.3. In essence Eligible counterparties are Professional clients of specified types who receive lower degree of protection in respect of the transactions with the Company or in respect of the ancillary services directly relating to the transactions in the course of execution of orders on behalf of clients and/or dealing on own account and/or receiving and transmitting orders and ancillary services related to any of these investment services.

5.3.4. Retail clients and elective Professional clients cannot be treated as Eligible Counterparties. Classification as an Eligible Counterparty shall be without prejudice to the right of such entities to request, either in a general form or on a trade-by-trade basis, treatment as clients whose business with the Company is subject to the protection afforded to Retail Clients or Professional Clients and thus subject to higher level of protection and information.

5.3.5. Once the Client is categorized as an ECP, client categorization is reflected in the Admin panel of the Company's Tradernet system under Client Profile – Compliance – MIFID Categorization section accessible to the Company's responsible employees

6. Request for different categorization

6.0.1. A client has the right at any time to request, in a durable medium or by means of the relevant section of the Tradernet platform, a change of categorization. The Company reserves the right not to accept such a request.

6.0.2. A Retail Client can request to be categorized and treated as a Professional Client. In this case they will be given a lower level of protection.

6.0.3. A Professional Client has the right to request to be treated as a Retail Client in order to obtain a higher level of protection. It is the responsibility of the client, considered to be a Professional Client, to ask for a higher level of protection when the client considers that it is unable to properly assess or manage the risks involved.

6.0.4. An Eligible Counterparty has the right to request to be treated either as a Professional Client or Retail Client in order to obtain a higher level of protection. Such a request may refer to one or more investment services or transactions or to one or more types of transaction or product. It is the responsibility of the client, considered to be an Eligible Counterparty, to ask for a higher level of protection applicable to Retail Clients when the client considers that it is unable to properly assess or manage the risks involved.

6.1. Re-categorization request of a Retail Client to Elective Professional

6.1.1. Upon a written request, a Retail Client can demand to be treated as an “Elective” Professional Client.

6.1.2. The Company, as a matter of its Policy, will accept Retail Client’s request to be re-categorized to an “Elective” Professional Client only in cases where such request is general and applicable to all the Investment Services provided by the Company and to all Financial Instruments, the Company is dealing with. The Company will not categorize a Retail Client as an “Elective” Professional Client only with respect to a particular Investment Service or transaction, type of transaction, or financial instrument.

6.1.3. In order for a Retail Client to be re-categorized as an “Elective” Professional Client, the Client shall request in writing to be treated as a Professional Client. Such a request shall be submitted to the Company by means of the Tradernet platform, using **the Professional Client Application Form** available at Member Area – Account Settings – Professional Investor from web or Menu – Requests – Account Settings - Professional Investor from mobile (please, see Appendix 1).

6.1.4. Once such a request is obtained, the Client will be provided with a clear written

warning by means of the **Loss of Protection Notice** (please, see Appendix 2) with the aim of informing the Client about the protection and investor compensation rights that he or she will lose. The Clients must declare in writing that they are aware of the consequences of losing such protection.

- 6.1.5. Further, the Company's Compliance Department shall analyze and assess the Form. If it is deemed necessary, documentary evidence will be collected.
- 6.1.6. Once the request is approved the Client receives the **Professional Client Status Assignment Notice** (for more information, please, check Appendix 3 of the present Policy) and the newly- obtained Professional client status is reflected in all the Company's internal systems and databases.
- 6.1.7. The Company is allowed to treat any of the Retail Clients as professionals provided the relevant criteria and procedure mentioned in the Section 7 of the present Policy are fulfilled. Any waiver of the protection afforded by the standard conduct of business regime will be affected only if an adequate assessment of the expertise, experience and knowledge of the Client, undertaken by the Company, 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 understanding the risks involved.
- 6.1.8. In case the assessment criteria, mentioned in the Section 7, are not met, the Company reserves the right to choose whether to provide services under the requested category, or, if the Client's request to be treated as an "Elective" Professional Client is not accepted, the Company will notify the Client accordingly.
- 6.1.9. All Clients are responsible for keeping the Company informed about any change, which could affect their current categorization.
- 6.1.10. If the Company becomes aware that the Client no longer fulfils the initial conditions, which made him eligible for professional treatment, the Company will take appropriate actions.

6.2. Re-categorization request of a Per-se Professional to Eligible Counterparty

- 6.2.1. Clients categorized as Per-se Professional Clients can request to be treated as Eligible Counterparties either for all services for which such opt-up is permitted by Law and/or in respect to a particular Investment Service and/or transaction and/or type of transaction and/or Financial Instrument.
- 6.2.2. If the “Per-se” Professional Client prefers to be re-categorized as an ECP, the Client shall request to be treated as an ECP in writing (please, check the Appendix 4 of the present Policy).
- 6.2.3. The Company shall take all reasonable steps to ensure that a Client requesting to be treated as an ECP meets the relevant requirements under the Law stated above in Section 5.3 of the present Policy. If the Client cannot satisfy the requirements under the applicable legal provisions, the Company reserves its rights to decline such request.
- 6.2.4. The Client submitting such a request is obliged to provide all required documentation and information to the Company.
- 6.2.5. By means of the re-categorization request the Clients also declare in writing that they are aware of the consequences of losing relevant protection available to Professional clients.
- 6.2.6. It should be noted that neither a Retail client nor an “Elective” Professional Client should never be classified as an ECP.

6.3. Re-categorization requests of an Eligible Counterparty to Per-se Professional

- 6.3.1. Clients that have been categorized as ECPs may, with their express consent, request to be treated as Professional Clients for all services for which the Law permits such opt-down.
- 6.3.2. According to MiFID II, an ECP may also request to be re-categorized to Retail Client.
- 6.3.3. For the Company to accept such requests, the Company shall consider factors

such as any special agreements in terms of commissions already agreed with the Client and any additional administrative work that the specific request might entail.

6.3.4. If the Company accepts an ECP Client's request to be treated as either a Professional Client or a Retail Client, the Client shall confirm that in a written agreement with the Company. The agreement shall specify the particular services or transactions or the types of products or transactions to which the opt-down applies. In cases where such a request is not accepted, the Company shall notify the Client accordingly.

6.4. Re-categorization requests of a Per-se Professional to a Retail Client

6.4.1. Clients categorized as Per-se Professional Clients are allowed to request non-professional treatment and, instead, be treated as Retail Clients to obtain a higher level of protection.

6.4.2. In such cases, the Per-se Professional Clients shall electronically by means of Tradernet platform submit the **Request for re-categorization from Per-se Professional Client to Retail Client** available at Member Area – Account Settings – Professional Investor from web or Menu – Requests – Account Settings - Professional Investor from mobile (please, see Appendix 1).

6.4.3. The Company shall assess all factors, such as any special agreements in terms of commissions already agreed with the Client and any additional administrative work that the specific request might entail, before accepting such requests.

6.4.4. If the Company accepts a Per-se Professional Client's request to be treated as a Retail Client, the Client shall enter into a new written agreement with the Company. In cases where such a request is not accepted, the Company shall notify the Client accordingly

7. Re-categorization assessment procedure

7.0.1. It should be noted that for each request the Company will assess the specified quantitative and qualitative criteria in accordance with the provisions of the Law, and the change of categorization will depend on its absolute discretion.

7.1. Re-categorization assessment criteria

7.1.1. Clients applying for the re-categorization procedure shall demonstrate sufficient knowledge and experience in each type of Financial Instruments requested or offered.

7.1.2. For the assessment of the investment knowledge and experience of the Client, the Company shall request and obtain information, which shall at least cover the following aspects to the extent that is relevant in terms of the Client's categorization, the scope and nature of the services provided, the complexity and type of the envisaged services, transactions and products, and the risks involved:

- (a) The types of investment services, transactions and securities of which the Client has sufficient knowledge;
- (b) The nature, volume and frequency of the Client's transactions in securities and the period over which they were conducted;
- (c) The Client's level of education, profession and, where necessary, previous profession of the Client.

7.1.3. The above information on client's knowledge and experience is collected by means of the appropriateness assessment performed during the onboarding of the client and prior to any transaction of the client with the Company.

7.1.4. In the case of legal entities, classified as retail, the person, subject to the above assessment, should be the person authorized to carry out transactions on behalf of the entity.

7.1.5. In case a Retail Client wants to be treated as Professional Client, the Client shall file a request by means of Professional Client Application Form (Appendix 1 to this

Client Categorization Policy).

7.1.6. In the course of the assessment the Compliance officer will check if, as a minimum, two of the following criteria are 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. For assessment of the above general criteria, the Company shall use the following criteria: Trading Volume - The Client needs to have made an average of 10 transactions of significant size per quarter over the last 4 quarters.
- b) the size of the Client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500K;
- c) the Client or its authorized person 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.

7.1.7. The Company shall take all the reasonable steps to ensure that the Client requesting to be treated as a Professional Client meets a minimum 2 out of 3 of the relevant requirements stated and should not automatically accept to treat as a Professional Client before the decision of the acceptance of any request for a waiver is made. Moreover, the Company shall not base its assessment only on the results of the appropriateness test as stated above to avoid relying solely on self-certification by the client.

7.1.8. The Company shall take appropriate measures for obtaining further evidence in the form of additional documents or information, if required, to support assertions that the Client meets the categorization assessment criteria. This additional information helps to make an assessment and receive reasonable assurance that the Client can make investment decisions and understand, properly assess or manage the risks involved.

7.1.9. The level of detailed evidence required to support a Retail Client's request to be treated as an "Elective" Professional Client will be relevant and proportionate to the

complexities and risks involved in the Financial Instruments and Investment Services offered by the Company and for which the client requested to become an “Elective” Professional Client.

7.2. Cross-check of information under assessment

- 7.2.1. The information provided by the Client as part of the onboarding process, such as KYC/CDD parameters or the results of the assessment of Client’s economic profile, including information on the Client’s wealth size, portfolio size, and the holding of liquid assets shall be cross-checked with the information included in the Client’s re-categorization request.
- 7.2.2. If there are inconsistencies indicating that the answers are not genuine, then a Retail Client’s request to be treated as an Elective Professional Client will be declined.
- 7.2.3. Elective Professional Clients are responsible for keeping the Company informed about any change that could affect their current categorization. However, appropriate actions should be taken if the Company becomes aware that the Client no longer fulfills the initial conditions, which made it eligible for professional treatment.

8. Monitoring of the Client’s categorization status

- 8.1. During the Client re-assessment process, the Company shall monitor any changes concerning the Client’s profile. In case the Company’s responsible employee becomes aware that the Client’s circumstances are not valid compared to the information initially indicated, the employee shall follow up with the Client in order to establish the new circumstances and re-categorize the Client accordingly.
- 8.2. The Company’s responsible employee should send the relevant documentation or notification to the Compliance Department for approval.

8.3. Examples of circumstances that a Client's categorization may be affected are described below, but not limited to:

- A Professional Client informs the Company that the circumstances of its initial categorization have changed, for example:
 - the authorized person status change (for elective professional clients);
 - license has been revoked/suspended;
 - the Client submits a request for re-categorization to the Company.
- The Company becomes aware that the client no longer fulfills the initial conditions, which made him eligible to be treated as a Professional Client ("elective" or "per-se") or Eligible Counterparty. Such criteria may include:
 - the authorized person status change (for elective professional clients);
 - license is revoked/frozen
 - the Client's financial position has changed, and the criteria used for categorization of the Client as a Professional Client (large undertaking) are no longer fulfilled.
 - sanctions imposed on Client;
 - the Client submits a request for re-categorization to the Company;
- Other reasons/events that may come to the Company's attention

9. Protection rights

9.1. Where the Company treats Clients as retail, they will be entitled to more protections under the law than if the Clients were categorized as a professional. In summary, the additional protections retail clients are entitled to are as follows, but not limited to:

- a) The Company shall ensure that its communication with all clients is fair, clear and not misleading. However, the Company's obligations in respect of the level of detail may vary according to whether the client is retail or professional, but information will always include any essential elements in accordance with the

- applicable requirements;
- b) The Company shall ensure that a Retail Client is provided with more information and disclosures regarding the Company, its services, financial instruments and their performance, the nature and risks of financial instruments, costs, commissions, fees and charges and the safeguarding of Client financial instruments and Client funds, including summary details of any relevant investor compensation or deposit guarantee scheme, as applicable;
 - c) When providing the services of Reception & Transmission of orders and/or Execution of Client orders for Retail Client, especially when dealing with complex financial instruments, the Company shall perform the appropriateness assessment of Client's knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded, so as to enable the Company to assess whether the investment service or product envisaged is appropriate for the Client and whether the Client has the necessary experience and knowledge in order to understand the risks involved in relation to the product or service offered or demanded. On the other hand, the Company may 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. As a result, no appropriateness assessment is performed for the Professional Clients to provide them with an access to complex financial instruments (for more information, please, check the Appendix 15 "Appropriateness and Suitability Assessment" of the General Terms of Business);
 - d) When executing Client orders, the Company shall take all reasonable steps to achieve the "best execution" of the Client's orders that is to obtain the best possible result for its Clients. Where the Company executes an order of a Retail 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. When providing Professional Clients with Best Execution the Company is not required to prioritize the overall costs of the

transaction as being the most important factor in achieving the best execution for them (please, refer to the Best Execution Policy of the Company);

- e) The services of the Financial Ombudsman Service in Cyprus may not be available to professional clients, unless they are, for example, consumers, in accordance with the Law relating to the Establishment and Operation of a Single Agency for the out of Court Settlement of Disputes of Financial Nature of 2010, as amended from time to time;
- f) Retail Clients may be entitled to compensation under the Investor Compensation Fund (“ICF”) for Clients of Investment Firms, while Professional Clients are not entitled to compensation under the ICF (for more information, please, check the Appendix 4 “Investor Compensation Funds” of the General Terms of Business).

9.2. The information about the loss of protection as a result re-categorization from Retail to Professional status is communicated to each client for their further study and acknowledgement (for more information, please, check Appendix 2).

9.3. The Company shall strictly refrain from implementing any form of practice that incentivizes, induces, or pressures an investor to request to be treated as a Professional Client. The information about Elective Professional status should be purely informative.

9.4. In this respect, any form of promotional language in relation to the status of a Professional Client shall be seen as incentivizing a Retail Client to request a professional client status.

10. Recordkeeping

10.1. The Company shall maintain all the records that evidence the client categorization and re-categorization process, including client requests, assessments performed, supporting documentation, warnings provided, client acknowledgements, and approvals granted.

10.2. All the above records are stored in Tradernet platform and shall be retained in accordance with the provisions of the Recordkeeping Policy of the Company.

11. Policy review

11.1. The present Policy shall be reviewed annually or whenever a material change occurs that affects the Company's procedures and principles related to the client categorization obligations and requirements.

11.2. The Company has the right to amend the current Policy at its discretion and at any time it considers suitable and appropriate.

APPENDIX 1. Professional Client Application Form

Client Name _____
Client ID _____

I hereby confirm my request to be classified as a Professional client.

Made trades in a significant volume in relevant markets with an average frequency of at least 10 trades per quarter for the period of the previous four quarters
 Yes No

The volume of my portfolio of securities, including free funds and financial instruments, exceeds 500,000 euros
 Yes No

I have worked for at least one year in the finance sector in a professional position that requires knowledge of the proposed transactions or services
 Yes No

I hereby confirm that I want to be considered as a Professional Client.

I hereby confirm that I understand that the Company will not categorize me as Professional Client only with respect to a particular investment service or transaction, type of transaction, or financial instrument, but the Professional Categorization will be applied to all investment services or transactions, types of transactions and/or financial instruments.

I have read the Client Categorization Policy, and I am aware of the measures of protection and compensation that I may lose as a Professional Client
 Yes No

Attached files:

Date _____
Client _____

APPENDIX 2. Loss of Protection Notice

Loss of Protection Notice

Please be informed that as a Professional Client you will lose some investor protections such as:

Access to the Financial Ombudsman Service

As a result of a re-categorization as a Professional Client you may be restricted or lose the right to access the Financial Ombudsman Service. Professional clients and eligible counterparties where the representative is an individual acting for purposes outside his/her trade, business, craft or profession may still be classified as eligible complainants. Nonetheless, Freedom Finance Europe Ltd operates in accordance with the “treating customers fairly” principle, and a relevant compliance officer will deal with any complaint.

Financial Promotions

Certain rules regarding the form and content of financial promotions will not be applicable. All the financial promotions we communicate to retail clients is monitored, analyzed and approved. In case of a professional status we will not be required to provide you with a comprehensive description of the nature of the investment, the commitment required and the risks.

Disclosure of charges, remuneration or commission

The rules of the Cyprus Securities and Exchange Commission do not require us to inform you, in writing, of the basis or amount of our charges applicable to the services we will be providing and the nature or amount of any other income receivable by ourselves or our associates which is attributable to those services.

Customer’s understanding of risk

We do presume that you understand the nature of any risks involved in any specific investments or transactions that we recommend to you. We will assume that you are able to judge the types and degree of risks stemming from the various types of

investments.

Knowledge and experience

We will assume that you are able to judge the suitability of our recommendations and that you have or can obtain any information we have not provided, which is necessary to make an informed decision about whether to invest, and that you have necessary experience and knowledge to understand the risks involved in relation to the product or service offered or demanded.

Clear Fair and Not Misleading Communications

We will consider your expertise to stay compliant with the requirement under the regulatory system that communications must be clear, fair, and not misleading.

Compensation

You will not be eligible to seek the services of the Investor Compensation Fund and may not be entitled to compensation under the Investor Compensation Fund for Clients of Investment Firms.

Request for change in classification

After Freedom Finance Europe Ltd has categorized you as a Professional Client, you may request for the category to be changed. It is the responsibility of a Professional Client to ask for a higher level of protection when it is deemed unable to properly assess or manage the risks involved. The higher degree of protection will only be approved if, after your request, a written agreement is signed between Freedom Finance Europe Ltd and your confirmation that you no longer wish to be treated as a Professional Client.

APPENDIX 3. Professional Client status assignment notice

To: (client name)
(address)

PROFESSIONAL CLIENT STATUS ASSIGNMENT NOTICE

Following your request, we would like to confirm that you have been re-categorized as **Professional Client**, so that when carrying out business with you we can provide the level of information, services and protection that is appropriate to and consistent with your categorization under the provisions of MIFID II.

Professional Client is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks involved in relation to the product or service offered or demanded

This Notice is to inform you that we will, based on the information available to us, treat you as a Professional Client under MiFID II in providing our services to you.

This is the general agreement, which also applies to all individual transactions for your account opened with us. This categorization will apply to all of our business relationships with you under MIFID II. You may however request to be treated as a Retail Client at any time.

It is your responsibility to inform us if we have not categorized you correctly and if any change occurs which could affect your categorization as a Professional Client. You also have the right to ask for higher level of protection when it deems you are unable to properly assess or manage the risks involved.

By signing this notice and returning it to us, you consent to our Conflicts of Interest Policy, Best Execution Policy, Client Categorization Policy and the General Terms of Business, and acknowledge that you familiarized yourself with our “**Loss of Protection Notice**” and understood the differences between the types of the protection offered under different categories of clients.

Should you have any questions, please do not hesitate to contact us by e-mail: info@freedomfinance.eu or by telephone: +357 2525 7787.

APPENDIX 4. Eligible Counterparty Application Form

To: Freedom Finance Europe Ltd

Christaki Kranou 20, Freedom Tower, 5th floor

4041 Germasogeia, Limassol, Cyprus

Date:

I, (Client name and address), hereby confirm our intension and express our consent to be categorized as an Eligible Counterparty (choose one of the below options):

- a) for all services for which such opt-up is permitted by Law
- b) in respect of a particular investment service and/or transaction and/or type of transaction and/or financial instrument (please, state below) _____

We acknowledge that we possess the experience, knowledge and expertise to make our own investment decisions and properly assess the risks that we incur. As a result, we express our consent to be treated as an Eligible Counterparty in the meaning of the MIFID II.

We also hereby confirm and acknowledge that we are aware that when the Company treats the client as an eligible counterparty, the client will be entitled to fewer protections under the law than it would be entitled to as a professional client. In particular, and in addition to the above we are aware that:

- 1) The Company is not required to provide the client with information in relation to its conduct of business obligations, rules for handling client's orders or best execution in executing client's orders;
- 2) The Company is not required to assess the appropriateness of a product or service that the Company provide to the client;

We also hereby acknowledge or awareness and confirm our responsibility to ask for higher level of protection and re-categorization in case we deem it necessary.

Signature

(name, position)