

## CLIENT CATEGORIZATION

## Introduction

Performance Ronnaru Company Ltd (the “Company”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (license number 253/14).

Following the implementation of the EU Markets in Financial Instruments Directive II (“MiFID II”) and in accordance to the Investment Services and Activities and Regulated Markets Law of 2017 (L. 87(I)/2017), the Company is required to classify its Clients into one of the following categories: Retail Client, Professional Client or Eligible Counterparty.

## Categorization Criteria

**‘Retail Client’** is a Client who is not a Professional Client or an Eligible Counterparty, as these are described below

**‘Eligible Counterparty’** is any of the following entities with whom the Company may bring about or enter into a transaction with, in the course of execution of orders on behalf account and/or receiving and transmitting orders

- (1) an *investment firm*;
- (2) a *credit institution*;
- (3) an *insurance company*;
- (4) a *collective investment scheme* authorized under the *UCITS Directive* or its management company;
- (5) a *pension fund* or its management company;
- (6) another financial institution authorized or regulated under *EU* legislation or the national law of an *EEA State*;
- (7) a national government or its corresponding office, including a public body that deals with public debt at national level;
- (8) a central bank; and
- (9) a supranational organization.

**‘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. In order to be considered a Professional Client, a Client must comply with the below criteria.

## Categories of Clients who are Professionals

1. 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, i.e. 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:

- a) Credit institutions;
- b) Investment firms;
- c) Other authorized or regulated financial institutions;
- d) Insurance Undertakings;
- 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) Locals;
- i) Other institutional investors.

2. Large undertakings meeting two of the following size requirements on a proportional basis:
  - balance sheet total of at least EUR20,000,000;
  - net turnover of at least EUR40,000,000;
  - own funds of at least EUR2,000,000.
3. 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.
4. 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 Professionals. Where the eligible counterparty expressly requests treatment of non-professionals, although are allowed to request non-professional treatment in such case the Company may reserve the rights and not provide its services.

The Company shall inform that undertaking, prior to any provision of services, that on the basis of the information available to the Company, the undertaking is deemed to be a Professional Client/Eligible Counterparty and shall be treated as such.

The Client categorization process will be conducted based on the information provided during the account opening process. The Company does not accept Retail Clients. The target market of the Company ***is solely composed of per se Professional Clients/ Eligible Counterparties***

## Eligible Counterparties

Eligible Counterparties are considered to be the most mature investors and are presumed to be able to assess and manage the risks involved in the service or product obtained.

Where the Company treats the Client as an Eligible Counterparty, the Client shall be entitled to lower protections under the law than he would be entitled to as a Professional Client. In particular:

- a) The Company shall not be required to provide the Eligible Counterparty with an Order Execution Policy. Eligible Counterparties do not receive the best possible result taking into account price, costs, speed, likelihood of execution and settlement, nature or any other consideration relevant to the Best Execution as on Mifid II.
- b) The Company shall not be required to disclose to the Eligible Counterparty, information regarding financial instruments, investment strategies, execution venues and all cost and related charges;
- c) The Company shall not be required to assess the suitability or appropriateness of a product or service that it provides to an Eligible Counterparty, but can assume that it has the expertise to choose the most appropriate product or service for it and that it is able financially to bear any investment risks consistent with his investment objectives;
- d) The Company shall not be required to provide the Eligible Counterparty with risk disclosures on the products or Services that he selects from the Company;
- e) The Company shall not be required to provide reports to the Client on the execution of his Orders or the management of his investments.
- f) The Investors Compensation Fund does not cover Eligible Counterparties.

Institutional Professional Clients and Eligible Counterparties are responsible for keeping the Company informed about any change, which could affect their current categorization.



Should the Company become aware however that the Client no longer fulfils the initial conditions, which made him eligible for treatment as Professional Client/Eligible Counterparty then, the Company must take appropriate action.

Although you have the right to request for a different categorization, the Company reserves the right to do not provide you with its services.

**Please note that the Company does not provide its services to 'Retail Clients'.**

**'Retail Client' is a client as explained in this policy.**

Performance Ronnaru Company Ltd

A Cyprus Investment Firm Licensed and Regulated by the Cyprus Securities and Exchange Commission (Cysec)

License number: 253/14

Incorporated in the Republic of Cyprus Reg No: 317107

Client Categorization Policy

November 2019