

CLIENT CATEGORISATION POLICY

1. Introduction

- 1.1. REDFIN CAPITAL LTD is a Cyprus Investment Firm registered with the Registrar of Companies in Nicosia under the number HE 381021 and regulated by the Cyprus Securities and Exchange Commission under the license number 375/19 (hereinafter called the "**Company**").
- 1.2. The Company categorises all Clients as Retail Clients by default.
- 1.3. If a Client wishes to be re-categorised then the Client should contact the Company in writing and the Company shall review the Client's request and process it accordingly.

2. Categorisation Criteria

- 2.1. The Company shall categorise its Clients and potential Clients as Retail Clients, Professional Clients or Eligible Counterparties in accordance with the applicable laws.
- 2.2. **Retail Clients:** A Retail Client is every Client that is not a Professional Client or an Eligible Counterparty.
- 2.3. **Professional Clients:** Professional Clients are the Clients who possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that they incur.
- 2.4. **Categories of Clients who are considered to be Professionals:** The Clients that satisfy one or more of the hereinbelow defined criteria shall be categorised as Professional Clients in relation to all investment services and activities, and financial instruments, namely:
 - 2.4.1. Entities which are required to be authorized or regulated to operate in the financial markets, namely:
 - (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.

The above list shall be understood as including all authorized entities carrying out the characteristic activities of the entities mentioned: (i) entities authorized by a Member State under a European Union Directive, (ii) entities authorized or regulated by a Member State without reference to such Directive, and (iii) entities authorized or regulated by a third country.

2.4.2. Large undertakings meeting two of the hereinbelow specified size requirements, on a proportional basis:

- (a) balance sheet total EUR 20,000,000 (Twenty Million Euro);
- (b) net turnover EUR 40,000,000 (Forty Million Euro);
- (c) own funds EUR 2,000,000 (Two Million Euro).

2.4.3. 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 organisations.

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

2.5. **Eligible Counterparties:** See Section 5 hereinbelow.

3. Request for Non-Professional Treatment (Higher Level of Protection)

3.1. The entities mentioned in clause 2.4 hereinabove are considered to be Professional Clients. They must, however, be allowed to request non-professional treatment and the Company may agree to provide a higher level of protection to such Clients.

3.2. Where the Client of the Company is a Professional Client as per above mentioned criteria, the Company shall inform such 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 agree otherwise. The Company shall also inform the Client that the Client can request a variation of the terms of the agreement in order to secure a higher degree of protection.

3.3. It is the responsibility of the Client, who is considered to be a Professional Client, to ask for a higher level of protection when it deems it is unable to properly assess or manage the risks involved.

3.4. This higher level of protection will be provided when a Client, who is considered to be a Professional Client, enters into a written agreement with the Company to the effect that it shall not be treated as a Professional Client for the purposes of the applicable conduct of business regime. Such a written agreement shall specify whether the Professional Client requests to be re-categorised as a Retail Client, either generally or, in respect to a particular investment service or transaction and/or financial instrument.

4. **Clients who may be Treated as Professionals on Request (Lower Level of Protection)**

- 4.1. The Clients other than those mentioned in clause 2.4 hereinabove, including public sector bodies and private individual investors, may also be allowed to waive some of the protection afforded by the conduct of business rules of the Company. The Company shall therefore be allowed to treat any of such Clients as Professionals provided that the relevant criteria and procedures mentioned below are fulfilled. These Clients shall not, however, be presumed to possess market knowledge and experience comparable to that of the categories listed in clause 2.4 hereinabove.
- 4.2. 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 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. The fitness test described in sub-clause 4.3 hereinbelow could be regarded as an example of the assessment of expertise and knowledge.
- 4.3. **Fitness Test.** The fitness test applied to managers and directors of entities licensed under European Union Directives in the financial field shall 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 authorized to carry out transactions on behalf of the entity. In the course of the above assessment, as a 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 (Ten) per quarter over the previous 4 (Four) quarters;
 - (b) the size of the Client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds 500,000 EUR (Five Hundred Thousand Euro);
 - (c) the Client works or has worked in the financial sector for at least 1 (One) year in a professional position, which requires knowledge of the transactions or services envisaged.
- 4.4. The Clients defined hereinabove may waive the benefit of the detailed rules of conduct only where the following procedure is followed:
- (a) they shall state in writing to the Company that they wish to be treated as Professional Clients, either generally or in respect of a particular investment service or transaction, or type of transactions or products;
 - (b) the Company shall give to them a clear written warning of the protections and investor compensation rights they may lose;

- (c) they shall state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections.
- 4.5. Before deciding to accept any request for waiver, the Company shall take all reasonable steps to ensure that the Client requesting to be treated as a Professional Client meets the relevant requirements stated in sub-clause 4.3 hereinabove.
- 4.6. The Professional Clients shall be responsible for keeping the Company informed about any change, which could affect their current categorisation. Should the Company become aware, however, that the Client no longer fulfils the initial conditions, which made the Client eligible for a Professional treatment, the Company shall take the appropriate actions.

5. Eligible Counterparties

- 5.1. The Company shall recognize an undertaking as an Eligible Counterparty if that undertaking falls within a category of the Clients who are considered to be Professional Clients as set in points (a) - (f) of sub-clause 2.4.1 hereinabove.
- 5.2. The Company may also recognize as Eligible Counterparties undertakings which fall within a category of the Clients who may be treated as Professionals on request in accordance with the relevant provisions of the clause 4 hereinabove. In such cases, however, the undertaking concerned may be recognised as an Eligible Counterparty only in respect to the service(s) or transaction(s) for which it could be treated as a Professional Client.
- 5.3. In the case where the Company shall enter into transactions with Eligible Counterparties, the Company is not obliged to comply with the following regulatory requirements:
 - (a) to seek for best execution when transmitting or placing the Client's order for execution;
 - (b) to disclose to the Client information in relation to any fees or commissions that the Company pays or receives;
 - (c) to assess the Client's appropriateness or suitability in relation to the Company's products and services;
 - (d) to provide to the Client information about the Company, its services and the arrangements through which the Company will be remunerated;
 - (e) to provide the Client with risk disclosures on the products and services offered;
 - (f) to provide reports to the Client in relation to the execution of the Client's orders or invested portfolio.

6. Request of Eligible Counterparty for Higher Level of Protection

- 6.1. Where an Eligible Counterparty requests treatment as a Client whose business with the Company is subject to regulatory requirements listed in clause 5.3 hereinabove, but does not expressly request treatment as a Retail Client, and the Company agrees to that request, the Company shall treat that Eligible Counterparty as a Professional Client. However, where that Eligible Counterparty expressly requests treatment as a Retail Client, the provisions in respect of requests of non-professional treatment specified in the clause 2.4 hereinabove shall apply.
- 6.2. It is the responsibility of the Client, who is considered to be an Eligible Counterparty, to ask for a higher level of protection when it deems it is unable to properly assess or manage the risks involved.
- 6.3. The higher level of protection will be provided when a Client, who is considered to be an Eligible Counterparty, enters into a written agreement with the Company to the effect that it shall not be treated as an Eligible Counterparty for the purposes of the applicable conduct of business regime.
- 6.4. Such a written agreement shall specify that the Eligible Counterparty requests to be re-categorised as a Professional or Retail Client as applicable, either generally or, in respect of a particular investment service or transaction and/or financial instrument.

7. Transactions with Eligible Counterparties

- 7.1. When the Company receives and transmits orders on behalf of the Clients, it may bring about or enter into transactions with Eligible Counterparties without being obliged to comply with the regulatory requirements listed in clause 5.3 hereinabove.
- 7.2. The Company, when it enters into transactions with Eligible Counterparties, shall obtain the express confirmation from the prospective counterparty that it agrees to be treated as an Eligible Counterparty. This confirmation may be obtained either in the form of a general agreement or in respect of each individual transaction.