



Client Categorisation

Purpose and Scope

Following the implementation of the Markets in Financial Instruments Directive ii (MiFID ii) and in accordance with the provisions of Law 87(I)/2017 (hereinafter the "Law") the Company is required to categorise its Clients. The purpose of this section is to establish the necessary policies and procedures relating to the categorisation of prospective and/or existing Clients.

The Company is required to do this so that when carrying out business with the Client, the Client is provided the level of information, services and protection that is appropriate to and consistent with the Client's categorisation.

This section specifies the process that must be followed by the Back-Office Department relating to the correct and accurate categorisation of prospective and existing Clients and the provision of information to prospective and existing Clients about Client Classification.

Further to this, it provides information to the Company's Departments of, Portfolio Management and Investment Advice on how the provision of Investment Services can be mutually supported with correct Client classification.

Legal Framework

The regulatory framework in relation with the required policies and procedures that the Company must apply in order to categorize prospective or existing Clients is specified in the Second Appendix of Law 87(I)/2017.

According to section 2(1) of Law 87(I)/2017, the following interpretation is provided regarding Retail and

Professional Clients: "**client**" means any natural or legal person to whom an Investment Firm provides investment or ancillary services;

"**retail client**" means a client who is not a professional client;

"**professional client**" means a client meeting the criteria laid down in the Second Appendix of Law 87(I)/2017

Law 87(I)/2017, in subsections 31 (2), (3), and (4), describes the entities that can be considered as Eligible Counterparties by the Company. Article 71 of Commission Delegated Regulation (EU) 2017/565 provides further provisions relating to the recognition and treatment of Eligible Counterparties by Investment Firms.

Distinctions between Client Categories

Law 87(I)/2017 distinguishes Clients between the following categories:

- **Retail Clients**
- **Professional Clients**, distinguished as follows:
 - Clients who are considered to be Professionals;
 - Clients who may be treated as Professionals on Request
- **Eligible Counterparties**, distinguished as follows:
 - Clients who are considered to be Eligible Counterparties;

Clients who may be treated as Eligible Counterparties on Request



Definitions and Client Classification

Clients are either natural or legal persons that the Company provides investment services for entering into transactions in financial instruments.

Retail Clients

Retail Clients are the Clients who cannot be classified as professionals within the meaning of Law 87(I)/2017. Retail Clients shall be provided by the Company a higher level of protection from Professional Clients and Eligible Counterparties.

The Company will automatically categorise ALL clients at Retail, thereby awarding them the highest level of investor protection, during the application process. Should the Company, based on the information provided by the Client, deem the Client to be Professional, based on below criteria, the Client will be notified as such.

Professional Clients

According to the provisions of the Second Appendix of Law 87(I)/2017, Professional Clients are deemed to possess the experience, knowledge and expertise to make their own investment decisions and to be able to properly identify any investment risks. A Professional Client is not deemed to be covered by the Investor Compensation Fund. Professional Clients are mainly legal entities and are distinguished as follows:

- a) Clients who are considered to be Professionals, and
- b) Clients who may be treated as Professionals on Request

Clients who are considered to be Professionals

According to part A of the Second Appendix of Law 87(I)/2017 Clients who are considered to be Professionals shall fall under the following Categories:

For easier consideration, Clients who are considered to be Professionals have been split into two Categories; (a) Clients who are considered to be Professionals due to their nature, and (b) Clients who are considered to be Professionals due to their size.

(a) Clients who are considered to be Professionals due to their nature:

- Entities which are required to be authorized or regulated to operate in the financial markets, including all authorized entities carrying out the characteristic activities of the entities mentioned: entities authorized by a Member State under an EU Directive, entities authorized or regulated by a Member State without reference to an EU Directive and entities authorized or regulated by a non-Member State. These *may* include:
 - 1) Credit Institutions
 - 2) Investment Firms
 - 3) Other Authorized or Regulated Financial Institutions
 - 4) Insurance Companies
 - 5) Collective investment schemes and management Companies of such schemes
 - 6) Pension funds and management Companies of such funds
 - 7) Commodity and commodity derivatives dealers
 - 8) Locals
 - 9) Other institutional investors
- National and regional governments, including public bodies that manage public debt at national or regional level, 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.
- Following MiFID ii implementation, local public authorities and municipalities may not be treated as professional clients by default and will be treated as Retail clients unless they have elected to opt up to professional clients and have been assessed by the Company as having the required knowledge and experience to be classified as professional.

(b) Clients who are considered to be Professionals due to their size:

These are large undertakings (i.e. corporate bodies or partnerships; or incorporated associations carrying on a trade or business, with or without a view to profit) meeting two of the following size requirements on a proportional basis:

- Balance sheet total of at least 20 million Euro
- Net turnover of at least 40 million Euro
- Own funds of at least 2 million Euro

Variation of categorization status for Professional Clients

According to the provisions of the last paragraph of the Second Appendix of Law 87(I)/2017, Professional Clients are responsible for keeping the Company informed about any change that could affect their categorization (i.e. an investment firm is required to inform the Company promptly if its authority to provide financial services has expired or withdrawn by its Regulator).

Should the Company departments become aware that the Client no longer fulfils the initial classification conditions, which made him/her eligible for a professional treatment they must inform immediately the Compliance Officer and the Back-Office Department.

The Back-Office Department must take the following steps:

- a) Verify if the classification as a professional Client is suitable or not suitable for the existing Client. If the Client cannot be considered as professional Client, then the Compliance Officer and the Senior Management must be duly informed.
- b) The Client must be informed with a written notice that he is not eligible for professional Client classification.
- c) The new Client classification shall be effective as from the date of submitting the aforementioned Notice.

Retail Clients as Professionals upon Request

Clients that may be treated as professionals on request are those retail Clients (individuals or undertakings) who fulfil the additional criteria set out in the first section of Part B of the Second Appendix of Law 87(I)/2017 and may for this reason request that they be treated as professional Clients for all or certain financial instruments and/or services for which they are considered to fulfil the relevant criteria and procedure mentioned below.

These Clients requesting to be treated by the Company as professionals shall not be presumed that they possess the same market knowledge and experience comparable to that of the categories listed in section above.



The criteria for classification to this particular category of retail Clients, requesting to be treated as professionals are the following, provided that at least two of them are met:

- the Client has carried out on average ten (10) transactions of sufficient volume per quarter in the relevant market during the last four quarters,
- the value of the Client's financial instruments portfolio, defined as cash deposits plus financial instruments, exceeds five hundred thousand euros (€ 500,000),
- the Client holds or used to hold for at least one year a professional position in the financial sector which required knowledge of the planned transactions or services.

Such questions are located in the Company's Account Opening Forms or another similar document with the aforementioned for both natural and legal persons.

The person subject to the above assessment, with regard to undertakings, shall be the person authorized to carry out transactions on behalf of the entity.

The Back-Office Department shall reclassify the Client only in case that the criteria mentioned above for classification have been met, and where the Retail Client has requested from the Company to be treated as professional Client with the provision of the relevant signed Notification for the Change of Client Status. The Client must consent to be classified as Professional Client. Relevant acceptance notice of the newer classification shall be accepted by Client through the aforementioned Notification. Moreover, the new Client classification shall be effective as from the date of signing the aforementioned Notification.

Clients who are considered to be Eligible Counterparties

Clients who are considered to be Eligible Counterparties, within the provisions of section 31 of Law 87(I)/2017, shall consist of the following categories:

- Entities authorized by a Member State under a European Union Directive, entities authorized or regulated by a Member State without reference to a European Union Directive, and entities authorized or regulated by a non-Member State, such as Credit institutions, Investment firms, Other authorized or regulated financial institutions, Insurance Companies, UCITS and management Companies of such schemes, Pension funds and management Companies of such funds.
- National governments and their corresponding offices, public bodies managing public debt at national level, central banks, and supranational organizations.
- Large undertakings (i.e. corporate bodies or partnerships; or incorporated associations carrying on a trade or business, with or without a view to profit) meeting two of the following size requirements on a Company basis:
 - Balance sheet total of at least 20.000.000 Euro
 - Net turnover of at least 40.000.000 Euro
 - Own funds of at least 2.000.000 Euro
- Following MiFID ii implementation, Clients currently categorized as ECPs, who previously requested to opt out of retail classification can no longer be considered ECPs.

A business relationship between the Company and an Eligible Counterparty can consist only of the following activities:



- a) dealing on own account, execution of orders on behalf of Clients and/or reception and transmission of orders; or
- b) any ancillary service directly related to a service or activity referred to above.

Classification of a Client as Eligible Counterparty shall not apply to any other investment and ancillary services provided by the Company, such as investment advice, portfolio management or underwriting and/or placing with or without firm commitment basis.

Natural persons, Professionals upon Request and Professionals by Default which fall under section 4, Part I of the Second Appendix of Law 87(I)/2017 cannot be treated as Eligible Counterparties, thus this paragraph shall not apply to them.

Clients who may be treated as Eligible Counterparties on Request

The Company may treat a legal person as an Eligible Counterparty upon Request if the following requirements, under Article 71(1) of Commission Delegated Regulation (EU) 2017/565, have been met:

The Client is an undertaking (i.e. corporate body or a partnership, or unincorporated association carrying on a trade or business, with or without a view to profit) and is a Client who falls within the category of Clients who are to be considered as professional Clients under paragraph 4.2.1 above, except from Clients which fall under section 4, Part I of the Second Appendix of Law 87(I)/2017 that carry the categorization of professionals because they are considered as institutional investors including entities dedicated to the securitization of assets or other financing transactions.

In accordance with section 31(3)(b) of Law 87(I)/2017, the Company shall obtain the express confirmation from the aforementioned prospective counterparties that they agree to be treated as Eligible Counterparties. This confirmation may be obtained in the form of a general agreement or in respect of each individual transaction.

Natural persons cannot be treated as Eligible Counterparties; thus, this paragraph shall not apply to them. Moreover, this paragraph shall not apply to any Retail Clients by default which have requested to be treated as Professionals on Request.

Where the Client requests to be treated as an ECP, the Company will provide to the client specific warnings about the protections they will lose.

Common Rules relating to the Formation of a Business Relationship and/or an Occasional Transaction with Eligible Counterparties and Eligible Counterparties upon Request

According to paragraph 31(3)(b) of Law 87(I)/2017 and as provided above, the Company must obtain a prospective Counterparty's confirmation that it agrees to be treated as an Eligible Counterparty either in the form of a general agreement or in respect of each individual transaction.

The Process is the following:

- a) before the commencement of any business relationship or occasional transaction with a prospective Counterparty, the Company requests from each Counterparty to provide sufficient information/proof in order to verify if the prospective Counterparty can be considered as an Eligible Counterparty by rule. Such proof may be requested in the form of License/Authority to provide banking, investment, or insurance service.
- b) Where necessary, the Company requests from Prospective Counterparties to consent to their treatment by the Company as an Eligible Counterparty by the signing a standard ECP Status Confirmation Notice.

Moreover, the right to request treatment as an Eligible Counterparty is limited to undertakings, therefore natural persons cannot be treated as Eligible Counterparties under any circumstances.



Reclassification of a Client upon their own request

The Client can request from the Company to reclassify him/her upon a written request, containing an explicit statement about the new category the Client requests to be classified into.

Reclassification from Professional Client to Retail Client

According to Part A of the Second Appendix of Law 87(I)/2017, a Professional Client can request in writing from the Company to reclassify him/her as a Retail Client, if the Client considers that he/she is not in the position to accurately assess or manage satisfactorily the risks to which he/she may be exposed.

The Company will accept or decline the Professional Client's request and will inform the Professional Client of its decision. In the event the request is accepted; the Company will provide the Client with a Notification of a Retail Client Status. Such Notification must also bear the Client's written consent that he/she is accepting not to be treated by the Company as a professional for the purposes of the applicable conduct of business regime.

The reclassification applies from the time the Notification was countersigned by the Client.

Reclassification from Eligible Counterparty to Professional Client or Retail Client

It is the responsibility of the Client, considered to be a professional Client or eligible counterparty, to ask for a higher level of protection when it deems it is unable to properly assess or manage the risks involved. An Eligible Counterparty may be reclassified, at its request as a Professional Client or Retail Client in accordance with the following procedure.

An Eligible Counterparty may request in writing from the Company to reclassify him/her as a Professional Client or Retail Client if the Client considers it is not in a position to assess or manage satisfactorily the risks to which it may be exposed. The request must state the category requested.

If the desired category is not stated in the Client request, then the Company according to the requirements of Article 71(3) of Commission Delegated Regulation (EU) 2017/565 will assume that the Eligible Counterparty is requesting categorisation as a Professional Client. The Company has the discretion to accept or decline the Eligible Counterparty's request.

In the event the request is accepted; the Company will inform the Client accordingly and may amend together with the Client the business relationship they are in.

Opting for a Lower Level of Protection

A Retail Client and a professional Client cannot be reclassified and receive a lower level of protection either on their own request or by the Company unless they fulfil the criteria set within Law 87(I)/2017 relating to Client Categorization.

Record Keeping

The Company shall receive from a Client requesting different classification than his/her default Client Classification Status its written consent of its new Client categorisation prior to providing a service or carrying out an occasional transaction on behalf of that Client:

All Confirmations shall be in a standard form and may be amended only subsequent to the consent of Senior Management. The Company keeps records of each signed Notification provided by the Clients relating to their reclassification.



A record must be made in relation to:

- a) The categorization established for the Client, including sufficient information to support that categorization;
- b) Evidence of dispatch to the Client of any notice required to be made;
- c) A copy of any agreement entered into with the Client.

Records must be made before the commencement of any business relationship and should be retained for five years after the Company ceases to carry on business with or for that specific Client.

Suitability and Appropriateness Control

In cases where the Company provides investment advice or portfolio management services, suitability tests will be carried out using pre-determined questionnaires, so as to collect sufficient information on the Client's experience in investment services and transactions, its financial situation and investment goals.

Professional Clients by default shall be deemed to possess ex ante the necessary knowledge and experience.

Suitability tests shall be run on professional Clients in order to collect information regarding their investment goals in case of investment advice services.

In cases of portfolio management services, there shall be an additional test regarding the Client's financial situation, so as to ensure that he/she is able to undertake the risks involved in the transaction.

There shall be no tests carried out for Eligible Counterparties.

For simple order execution in complex financial instruments, the Company carries out appropriateness tests on retail Clients so as to check Clients' knowledge and experience in assessing the suitability of the choice of product.

Suitability and Appropriateness Assessment

In order to protect its clients, I.W.G. performs an assessment as to whether the investment services and financial instruments it offers to them are suitable and appropriate for them and correspond to their needs and investment objectives. More specifically:

Suitability Assessment

When providing investment advice or portfolio management services, I.W.G. will recommend or enter into a transaction only if it has obtained the necessary information regarding the client's knowledge and experience in the investment field relevant to the specific type of financial instrument or service, his financial situation and his investment objectives so as to enable it to recommend to the client the investment services and financial instruments that are suitable for him (assessment of suitability). If the client does not provide the information which the Company considers necessary, the Company cannot provide him with the aforementioned services.

Appropriateness Assessment

When providing investment services other than investment advice or portfolio management, I.W.G. asks its client to provide information regarding his knowledge and experience in the investment field relevant to the specific type of financial instrument or service offered or demanded so as to enable it to assess whether the investment service or product envisaged is appropriate for the client (assessment of appropriateness). Where the client does not provide, the information required or where the information provided is insufficient or where the Company considers,



based on the information received, that the said financial instrument/investment service is not appropriate with his knowledge and experience, the Company shall warn the client accordingly.

Exception from the obligation to assess the appropriateness of the investment service or product envisaged when providing Execution Only services.

I.W.G. provides, among others, investment services which consist solely of receiving and transmitting orders which relate to noncomplex financial instruments.

The Company may provide the said investment services without carrying out an assessment of the appropriateness of the financial instrument/investment service in accordance with the foregoing points, provided all the following conditions are met:

- the above services relate to shares admitted to trading on a regulated market or in an equivalent third country market, money-market instruments, non-complex bonds, UCITS and other non-complex financial instruments;
- the service is provided at the initiative of the client or potential client;
- the client has been clearly informed that in the provision of this service the Company is not required to assess the appropriateness of the instrument or service provided or offered and that therefore he does not benefit from the corresponding protection of the relevant conduct of business rules;
- the Company complies with its obligations related to the conflicts of interest policy.

Provision of Information to Prospective and Existing Clients about Client Categorization

In accordance with the provisions of Article 45 of Commission Delegated Regulation (EU) 2017/565, the Company is responsible for providing information to Clients relating to the process followed for Client Categorization, their rights relating to their reclassification, and any limitations to the level of Client protection that such a different categorization should entail. This information should be provided in a durable medium, prior to the provision of any services to the Client.

Such information is done through the Company's Terms and Conditions, or through any other necessary arrangement for the provision of that information to the Client.

The Company has further posted in its internet site, a Disclosure document relating to the Categorization of Clients.

The Disclosure should be reviewed periodically from the Compliance Officer and any required amendments shall be communicated to the Senior Management for approval.

Any amendments of the Disclosure shall be immediately posted at the Company's internet site, following the approval by the Senior Management.

Where the Company intends to re-classify or re-categorize a specific Client, the Client shall be notified of such. A written consent is essential with regard to the Classification change of a Client, prior to transacting any further business. A one-way notice from the Company to the Client will therefore not suffice for these purposes.

Reclassification may be done at the initiative of the Company or at the request of the Client.



Appendix 1: Professional Client Analysis Form ('PCAF') – Legal Entities

Applicant Name	
Name of individual(s) authorized to undertake transactions on behalf of the prospective corporate applicant	

Professional Client – Undertaking

It should be noted that where the analysis is being carried out in respect of an Undertaking, the analysis must be applied to those individuals who are authorised to undertake transactions on behalf of the Undertaking.

For the purposes of Law 87(I)2017 the entity is an 'assessed' Professional Client if it meets one of the requirements in sections 1-2 and has sufficient experience and understanding of the relevant financial markets, products or transactions and any associated risks following the analysis in sections 3-7.

Undertakings Classifying as Professional Clients	Yes	No	N/A	If Yes, provide details and attach documentary evidence
<p>1. Does entity meet the requirements to be classified as a Professional client due to their size: These are large undertakings (i.e. Corporate bodies or partnerships; or incorporated associations carrying on a trade or business, with or without a view to profit)meeting two to the following size requirements on a proportional basis;</p> <ul style="list-style-type: none"> ▪ Balance sheet total of least 20 million Euro ▪ Net turnover of at least 40 million Euro ▪ Own funds of at least 2 Million Euro 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>2. Is the entity considered to be professional due to their nature: These may include:</p> <p>1. Credit Institutions</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



<ol style="list-style-type: none"> 2. Investment Firms 3. Other Authorized or Regulated Financial Institutions 4. Insurance Companies 5. Collective investment schemes and management companies of such schemes 6. Pension funds and management companies of such funds 7. Commodity and commodity derivatives dealers 8. Other Institutional Investors 				
Knowledge and Experience				
<ol style="list-style-type: none"> 3. Verify information provided in the Risk Profile Questionnaire. Are any concerns noted? 				
<ol style="list-style-type: none"> 4. Does the individual have prior experience in dealing with the proposed investment? If yes, provide details. 				
<ol style="list-style-type: none"> 5. Does the individual understand the risks associated? 				
<ol style="list-style-type: none"> 6. Does the individual have any relevant qualifications relating to financial markets and investments? If yes, please indicate the same. 				
<ol style="list-style-type: none"> 7. Are there any other matters which are relevant to this Professional Client analysis? 				

To be completed by the IWG Representative/Adviser:

I confirm that I have assessed the above information and conclude that the applicant (or individual(s) authorised to undertake transactions as noted above) appear(s), on reasonable grounds, to have sufficient experience and understanding of the relevant financial markets, products or transactions and any associated risks to be classified as a Professional Client .

Name	Date	Signature



Appendix 2: Professional Client Analysis Form ('PCAF') - Individuals

Applicant Name	
Secondary Applicant	

Professional Client – Individual

According to the second appendix of Law 87(I)/2017, client that may be treated as professionals on request are those retail clients (individuals or undertakings) who fulfil the additional criteria set out in the first section of Part B of the Second Appendix of Law 87(I)/2017 and may for this reason request that they are treated as professional clients for all or certain financial instruments and/or services for which they are considered to fulfil the relevant criteria:

The criteria for classification to this particular category of retail clients, requesting to be treated as professionals are the following, provided that at least two of them are met

Individual Classifying as Professional Clients on Request	Yes	No	N/A	If Yes, provide details and attach documentary evidence
1. The client has carried out an average ten (10) transactions of sufficient volume per quarter in the relevant market during the last four quarters.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. The value of the client's financial instruments portfolio, defined as cash deposits plus financial instruments, exceeds five hundred thousand euros (500,000).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. The client holds or used to hold for at least one year a professional position in the financial sector which required knowledge of the planned transactions or services Verify information provided in the Risk Profile Questionnaire and Fact Find	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
In cases where there is a joint account holder:				



<p>4. Is the joint account holder a family member of the primary account holder? ‘Family member’ of the primary account holder is¹:</p> <p>(a) His spouse;</p> <p>(b) His children and stepchildren, his parents and stepparents, his brothers and sisters and his stepbrothers and stepsisters; and</p> <p>(c) The spouse of any individual within (b).</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>5. Is the account used for the purposes of managing investments for the primary and joint account holder?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>6. Has the joint account holder confirmed in writing that investment decisions relating to the joint account are generally made for, or on behalf of, him by the primary account holder?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Knowledge and Experience				
<p>7. Verify information provided in the Risk Profile Questionnaire. Are any concerns noted?</p>				
<p>8. Does the individual have prior experience with the planned transactions? If yes, provide details.</p>				
<p>9. Does the individual understand the risks associated?</p>				
<p>10. Does the individual have any relevant qualifications relating to financial markets and investments? If yes, please indicate the same.</p>				
<p>11. Are there any other matters which are relevant to this Professional Client analysis?</p>				



To be completed by the IWG Representative /Adviser:

I confirm that I have assessed the above information and conclude that the applicant (or individual(s) authorised to undertake transactions as noted above) appear(s), on reasonable grounds, to have sufficient experience and understanding of the relevant financial markets, products or transactions and any associated risks to be classified as a Professional Client.

Name	Date	Signature