



CrowdTech

CLIENT CATEGORISATION POLICY



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Introduction

Crowd Tech LTD (the “Company”) is a Cypriot Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration No. HE 297365. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under the license No. 202/13.

The Investment Services and Activities and Regulated Markets Law of 2017 (L.87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets), including all its amendments and the Directives issued by CySEC (the “Regulations”) are the regulatory framework that governs Cypriot Investment Firms (the “CIF”).

In accordance with the law, prior to Crowd Tech LTD engaging in a business relationship with potential clients, it is required to notify potential clients of the clients’ classification in use by the Company, and inform them about the category in which they are initially classified by the Company. Under the law there are three Client categories, Retail, Professional and eligible Counterparty. Each category has a different level of protection. The Company will automatically categorize all Clients as ‘Retail Clients’. If you wish to be re-classified, please contact backoffice@trade360.com to get assistance.

The Company will be reviewing your categorization from time to time and it reserves the right to re-categorize you if necessary.

Categorization Criteria

Retail Client

Every client, which is not an eligible counterparty or a professional client, is considered to be a retail client; such client classification will be entitled to the highest possible level of protection under the law, which may include and not limited to the following:

- a. The Company discloses more information to a retail client in regards to its provided investment services,



fees and charges and offered safeguarding services of client funds.

- b. Retail clients are requested by the Company to provide information in regards to his/her knowledge and experience in trading in financial instruments in order to assess the appropriateness of the product or service that will be offered to the client. On the basis of this assessment, the Company shall warn the client accordingly on the appropriateness of the product or service offered. Please note that the Company is not required to assess appropriateness in certain cases specified by law. The Company establishes an Order Execution Policy in order to take in to consideration relevant execution factors to achieve the best possible result for the clients' order ("best execution"). When the Company's retail client transmit/executes an order, the Company shall determine the best possible result for the client with consideration to factors such as price of financial instruments and the cost related to transmission/execution of an order including, but not limited to, venue fees, clearing and settlement fees and other potential third party fees involved in the transmission/execution of the order.
- c. Retail Clients may be entitled to compensation under the Investor Compensation Fund. To learn more, please read the Investor Compensation Fund Policy found on the Company's website.

Professional Clients

Professional client is a client that the Company shall be entitled to assume has the necessary experience, knowledge and expertise to make its own investment decisions and properly assess and understand the risks it incurs.

Consequently, and unlike retail clients, the Company should not generally need to obtain additional information from the professional client for the purposes of assessing the appropriateness for the products or services offered. In addition, when providing professional clients with best execution the Company is not required to prioritize the overall cost of the transaction as being the most important factor in achieving best execution for them.

In order to be considered a professional client, the client must fall within the following categories of clients:

(1) Entities which are required to be authorised or regulated to operate in the financial markets. The list below shall be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a Directive, entities authorised or regulated by a Member State without reference to a Directive, and entities authorised or regulated by a third country:

- (a) Credit institutions;
- (b) Investment firms;
- (c) Other authorised or regulated financial institutions;
- (d) Insurance companies;
- (e) Collective investment schemes and management companies of such schemes;



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- (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 company basis:

- balance sheet total: EUR 20 000 000
- net turnover: EUR 40 000 000
- own funds: EUR 2 000 000

(3) 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 IMF, the ECB, the EIB 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 referred to above are considered to be professionals. They are however allowed to request nonprofessional treatment and the Company may agree to provide a higher level of protection. Where the client is an undertaking referred to above, the Company will inform the Client prior to any provision of services that, on the basis of the information available to the Company, the client is deemed to be a professional client, and will be treated as such unless the Company and the client agree otherwise. The Company will also inform the client that he can request a variation of the terms of the agreement in order to secure a higher degree of protection.

It is the responsibility of the client, 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.

This higher level of protection will be provided when a client who is considered to be a professional enters into a written agreement with the Company to the effect that it shall not be treated as a professional for the purposes of the applicable conduct of business regime. Such agreement shall specify whether this applies to one or more particular services or transactions, or to one or more types of product or transaction.

Eligible Counterparties

The Company, when dealing with eligible counterparties, is exempted from important obligations under conduct of business rules, best execution rules, client order handling rules. For that purpose, eligible counterparties may be classified under the following categories:

- Investment firms



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- Credit institutions
- Insurance companies
- UCITS and their management companies
- Pension funds and their management companies
- Other financial institutions authorized or regulated under community or national law
- Commodity and commodity derivative traders (dealing on own account)
- National governments and their corresponding offices including public bodies which manage public debt
- Central Banks
- Supranational organizations
- Third country entities equivalent to the categories mentioned above

Where the Company treats the Client as an eligible counterparty, the Client will be entitled to fewer protections under the law than he/she/they would be entitled to as a professional client. In particular, and in addition to the above:

- a. The Company is not required to provide the Client with the best execution the Client's orders;
- b. The Company is not required to disclose to Client information regarding any fees or commissions that the Company pays or receives;
- c. The Company is not required to assess the suitability or appropriateness of a product or service that it provides to Client but can assume that the Client have the expertise to choose the most appropriate product or service for him/her/them and that he/she/they is/are able financially to bear any investment risks consisted with his/her/their investment objectives;
- d. The Company is not required to provide the Client with information about the Company, its services and the arrangements through which the Company will be remunerated;
- e. The Company is not required to provide the Client with risk disclosures on the products or services that he/she/they select/s from the Company; and
- f. The Company is not required to provide reports to the Client on the execution of his/her/their orders or the management of his/her/their investments.

Clients who may be treated as Professionals on Request

In addition, clients who have been initially classified by the Company as retail clients are allowed to request to be treated as professional clients, provided that at least two out of three of the following criteria are satisfied:

—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.

—The size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500.000.

—The client works or has worked in the financial sector for at least one year in a professional position, which



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requires knowledge of the transactions or services envisaged.

The procedure which shall be followed by the clients, who wish to be treated as professional clients, is as follows:

- The clients 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 transaction or product.
- The Company will send to the Client a relevant form which needs to be filled and be sent back to the Company. The Company will give the Client a clear written warning of the protections and investor compensation rights they may lose. The clients shall state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections.
- The Company reserves the right to request independent documentary evidence to support the above criteria.
- The Company reserves the right to decline any of the above requests for different categorization.

Request for different classification

A request for different classification can fall under any of the below criteria:

- A Retail Client has the right to request a different classification to become a Professional Client, but he will be afforded a lower level of protection.
- A Professional Client has the right to request a different classification as a Retail Client in order to obtain a higher level of protection.
- An Eligible Counterparty has the right to request a different classification of either a Professional Client or Retail Client in order to obtain a higher level of protection.

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

Changes to professional client/ eligible counterparty categorization

Professional Clients and Eligible Counterparties are responsible for keeping the Company informed of any change which could affect their categorization as such. If the Company becomes aware that a Professional Client or Eligible Counterparty no longer fulfils the initial conditions that made him eligible for a Professional Client/Eligible



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Counterparty treatment, it may take appropriate action, including re-categorizing the Client as a Professional Client or a Retail Client.

Updates

The Company has the right to amend the current Policy at its discretion and at any time it considers is suitable and appropriate; the Company shall review and amend the current policy at least on an annual basis. The Policy is available for review by clients upon request and it is uploaded on the Company's website.