

Client Categorisation Policy

1. Introduction

W.G Wealth Guardian Ltd (hereinafter, “the Company”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (hereinafter, “CySEC”) with Licence number

In compliance to Law 144(I)/2007 as amended from time to time (“the Law”), each Client is categorised by the Company as a “Retail Client” “Professional Client” or “Eligible Counterparty.” Categorisation is undertaken on the basis of objective criteria. A Client may be placed in different categories for particular investment services or transactions or types of transactions or products. The Company shall notify each Client the Client’s categorisation as a Retail Client or Professional Client or, as the case may be, Eligible Counterparty. All clients are categorised by default as retail clients.

2. Definition

- A. **Retail Client** is a Client who is neither a Professional Client by default nor an Eligible Counterparty. Except for Clients who meet the requirements set out in point 3 or 4 below or unless informed otherwise in writing, all Clients are categorized as Retail Clients. Retail clients receive the highest possible level of protection as per the provision of the Law, including, but not limited thereto, investor compensation rights (i.e. coverage from Investor Compensation Fund) for Eligible Clients and as provided under sections 36 (conduct of business), 38 (execute orders on terms most favourable to the client) and 39 (handling client orders) of the Law.
- B. **Professional Client** is a Client who possesses the experience, knowledge and expertise to make his own investment decisions and properly assess the risks that the Client incurs.
- C. **Eligible Counterparty** under the Law is similar to a Professional Client but meets the requirements as described in Section 41(2) of the Law (i.e. an investment firm, credit institution, UCITS, pension fund, national government, a financial legal entity subject to applicable law, governmental body or quasi-governmental body) and who has expressly confirmed to being treated as an Eligible Counterparty.

3. Professional Clients

Categories of Clients who are considered to be professional clients by default

As per the Law, the following should all be regarded as professional clients in relation to all investment services and activities and financial instruments:

- a. Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under the Markets in Financial Instruments Directive, entities authorised or regulated by a Member State without reference to the above Directive, and entities authorised or regulated by a non-Member State:
 - Credit Institutions;
 - Investment Firms;
 - Other Authorised or regulated financial institutions;
 - Collective investment schemes and management companies of such schemes;
 - Pension funds and management companies of such funds;
 - Commodity and commodity derivatives dealers;
 - Locals;
 - Other institutional investors (like Portfolio Investment Companies).
- b. Large undertakings meeting two of the following size requirements on a company basis:
 - balance sheet total at least EUR 20,000,000
 - net turnover at least EUR 40,000,000
 - own funds at least EUR 2,000,000
- c. National and regional governments, public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.
- d. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

Clients who may be treated as professional clients on request

A Client who has been categorised as a retail Client by the Company may request from the Company in writing to be treated as a Professional Client (and hence may lose certain protection and investor compensation rights), either generally or in respect of a particular investment service or transaction, or type of transaction or product. The Company may, at its discretion, decide not to take into consideration such treatment.

If the Company agrees to take into consideration such a request, it will upon receipt of such a request assess whether the Client meets the objective opt-up conditions. The Company will further assess the expertise, experience and knowledge of the Client and any other element that it deems appropriate. 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 per quarter over the previous four quarters,
- b. the size of the Client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500,000
- c. the Client 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.

The Company will notify the Client if and when it agrees to categorise the Client as a Professional Client.

However, if the Client wishes to be treated as a professional client and the Company agrees to such categorisation, the Client will lose the protection described in sections 36 (conduct of business), 38 (execute orders on terms most favourable to the client) and 39 (handling client orders) of the Law, including investor compensation rights (i.e. coverage under the Investor Compensation Fund).

The protection rights described in the abovementioned sections of the Law, may include, but not limited to:

- the Company's obligation to provide appropriate information to the Client before providing the Services;
- the restriction on the payment or receipt by the Company of any inducements;
- the Company's obligation to ensure that all information the Company provides to the Client is fair, clear and not misleading;
- the requirement that the Client receives from the Company adequate reports on the services provided to him.

4. Eligible Counterparties

As defined under point 2 (C) above and as per section 41 (2) of the Law, Eligible Counterparty is any of the following entities:

- Cypriot Investment Firms (CIFs),

- the remaining Investment Firms (IFs)
- Credit Institutions
- UCITS and their management companies
- Pension Funds and their management companies
- other Financial Institutions authorised by a Member State or regulated under community legislation or the national law of a Member State
- Undertakings exempted from the application of the Law in accordance with section 3 (2) (k) and (3 (2) (l))
- National governments and their corresponding offices, including public bodies that deal with public debt,
- Central banks and supranational organisations.

The Company may recognise an undertaking as an Eligible Counterparty if that undertaking falls within a category of Clients who are to be considered Professional Clients in accordance with the first, second and third paragraph of Part A, of Annex II of the Law, excluding any category which is explicitly mentioned in Section 41(2) of the Law.

The Company may also recognise as Eligible Counterparties third country entities equivalent to those categories of entities stated in section 41 (2) of the Law.

The Company may also recognise as Eligible Counterparties undertakings which fall within a category of Clients who are to be considered Professional Clients in accordance with Part B of Annex II of the Law. In such cases, however, the undertaking concerned shall be recognised as an Eligible Counterparty only in respect of the services or transactions for which it could be treated as a Professional Client

The Company when dealing with clients categorised as Eligible Counterparties, the Company is not required to provide the protection described in sections 36 (conduct of business), 38 (execute orders on terms most favourable to the client) and 39 (1) (ensure prompt, fair and expeditious execution of client orders, relative to other client orders or its trading interests) of the Law.

5. Request for Different Clarification

- A. A Retail Client has the right to request a different classification in order to be treated as Professional Client. However, if the Client wishes to be treated as a Professional Client and the Company agrees to such categorisation, the Client will lose the protections offered by the Law (see paragraph 3 above).
- B. A Professional Client has the right to request a different classification in order to be treated as Retail Client and hence benefit from the higher level of protection. If the

Company accepts such a request, the Client shall enter into a written agreement with the Company. The agreement will specify the particular services or transactions, or the types of products or transactions to which the change of classification applies.

- C. An Eligible Counterparty has the right to request a different classification in order to be treated either as a Retail Client or Professional Client. If the Client wishes to be treated as a Professional Client and the Company agrees to such categorisation, the Client will be subject to lower form of protection than that provided by the Law (see paragraph 3 above). If the Client wishes to be treated as a Retail Client and the Company agrees to such categorisation, the Client will be subject to higher protection as described in sections 36 (conduct of business), 38 (execute orders on terms most favourable to the client) and 39 (1) (ensure prompt, fair and expeditious execution of client orders, relative to other client orders or its trading interests) of the Law.

The Company has the right to decline any of the above Client's requests for different classification.

6. Changes to Professional Client /Eligible Counterparty Categorisation

Professional Clients and Eligible Counterparties are responsible for keeping the Company informed of any change which could affect their categorisation 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 Counterparty treatment, it may take appropriate action, including re-categorising the Client as a Professional Client or a Retail Client.

7. Amendment/Review of the Policy

The Company reserves the right to review and/or amend this Policy at any given time it deems suitable and appropriate without notice to the Client. The Policy is available for review by clients upon request and it is uploaded on the Company's website.

8. General Information

The above information is based on the Law.