

CLIENT CLASSIFICATION POLICY

1. Introduction

Ardu Prime (hereafter the “Company”) is an Investment Firm incorporated and registered under the laws of the Hellenic Republic. The Company is authorised and regulated by the Hellenic Capital Market Commission (hereafter the “HCMC”) under the license number 4/164/20.7.1999, as in force.

The Company is operating under the provisions of Law 4514/2018 “Markets in financial instruments and other provisions” (hereinafter “Law”) which incorporated Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 “on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU” (hereinafter MiFID II).

Following the implementation of the MiFID II, the Company is required to categorise its Clients in to one of the following three categories: “retail”, “professional” or eligible counterparty”. Therefore, when the Company is evaluating an application for opening an account, it will classify a prospective client under any of the above categories based on the information provided by the said client.

2. Client Classification Categories

2.1 Retail Client: A retail client is a client who is not a professional client .

2.2 Professional Client: A professional client is considered to be a client who possesses the experience, knowledge and expertise to make his own investment decisions and properly assess the risks that it incurs. The following criteria should apply for the categorization of a professional client:

2.2.1 Entities which are required to be authorized or regulated to operate in the financial markets.

Those are the following:

- a. Credit Institutions
- b. Investment Firms;
- c. Other authorized or regulated financial institutions;
- d. Insurance companies;
- 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.

2.2.2 Large undertakings meeting two of the following size requirements on a company basis:

a. Balance sheet total at least EUR 20.000.000

b. Net turnover at least EUR 40.000.000

c. Own funds at least EUR 2.000.000

2.2.3 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.

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

2.3 Eligible Counterparty: is any of the following entities to which an investment firm provides the services or reception and transmission of order on behalf of clients and/or execution of such orders:

- a. investments firms;
- b. credit institutions;
- c. insurance companies;
- d. UCITS and their management companies;
- e. pension funds and their management companies;
- f. other financial institutions authorized or regulated under Union law or under the national law of a member state;
- g. national governments and their corresponding offices including public bodies that deal with public debt at national level
- h. Central Banks and supranational institutions.

When dealing with eligible counterparties, the Company is exempted from important obligations under conduct of business rules, best execution rules, client order handling rules. Where the Company treats the client as an eligible counterparty, the client will be entitled to fewer protections under the law than he would be entitled to as a professional client.

Therefore:

- The Company is not required to provide the client with the best execution the client's orders;
- The Company is not required to disclose to the client information regarding any fees or commissions that the Company pays or receives;
- The Company is not required to assess the suitability or appropriateness of a product or service that it provides to the client but can assume that the client has the expertise to choose the most appropriate product or service and that he is able financially to bear any investment risk consisted with his investment objectives;

3. Clients who may be treated as professional on request

The client may be permitted to waive some of the protections afforded by the conduct of business rules of the Company. 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 customer, undertaken by the Company, gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the Client or, in the case of a legal entity, its managers and directors, are capable of making their own investment decisions and understanding the risks involved.

In the course of the above assessment, as a minimum, two of the following criteria should be satisfied:

- a. the customer 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 customer's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds €500 000
- c. the customer 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.

3.1 Procedure

The client defined above may waive the benefit of the detailed rules of conduct only where the following procedure is followed:

- the Client must state in writing to the Company that he wishes to be treated as a professional customer, either generally or in respect of a particular investment service or transaction, or type of transaction or product,
- the Company will give the Client a clear written warning of the protections and investor compensation rights he may lose,
- the client shall state in writing that he is aware of the consequences of losing such protections.

4. Request for Different Classification

A Retail client has the right to request a different categorisation to become a Professional client in order to receive a lower level of protection by the Company. A Professional client has the right to request a different categorisation as a Retail client in order to receive a higher level of protection by the Company. An Eligible Counterparty has the right to request a different categorisation to become either a Professional client or a Retail client in order to receive a higher level of protection.

The Company has the right to decline any of the above client's request for different categorisation.