CUSTOMER CATEGORIZATION POLICY

TITANEDGE SECURITIES LIMITED

Version 2 August 2022


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Titanedge Securities Ltd with Registration Number HE 411909, is regulated and authorized by the Cyprus Securities and Exchange Commission under license number 405/21.

1. INTRODUCTION

1.1. Titanedge Securities Ltd hereinafter referred to as "the Company" is a Cyprus Investment Firm (www.titan-edge.com) and it is incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 411909. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC), with CIF license number 405/21.

1.2. The Client Categorization Policy outlines below the customers' classification in use by the Company and informs about the category in which customers are initially classified by the Company.

2. CATEGORIZATION CRITERIA

The Company classifies its Customers into one of the following three (3) categories; *Retail*, *Professional* or *Eligible Counterparty*; using the following categorization criteria:

2.1. **'Retail Client'** is a Customer who is neither a Professional Client nor an Eligible Counterparty.

2.2. **'Eligible Counterparty'** is any of the following entities to which an investment firm provides the services of reception and transmission of orders on behalf of Customers and/or execution of such orders and/or dealing on own account:

- Cyprus Investment Firm/Greek Investment Firm, other investment firms;
- Credit institutions;
- Insurance companies;
- UCITS and their management companies;
- Pension funds and their management companies;
- Other financial institutions authorised by a member state or regulated under the laws of Cyprus or under European Union Law;
- National governments and their corresponding offices, including public bodies that deal with public debt at national level;

- Central banks;
- The Central Bank and supranational organisations.

According to the Legislation, the Commission also recognizes as eligible counterparties other undertakings meeting pre-determined proportionate requirements, including quantitative thresholds. The commission also recognizes as eligible counterparties, third country entities which are equivalent to the categories of entities as mentioned hereinabove.

2.3. **'Professional Client'** is a Customer who possesses the experience, knowledge and expertise to make his/her own investment decisions and properly assess the risks that (s)he incurs. The following should all be regarded as professionals in all investment services and activities and financial instruments:

A. Entities which are required to be authorized or regulated to operate in the financial markets. The list below should be understood as including all authorized entities carrying out the characteristic activities of the entities mentioned: entities authorized by a Member State under the Markets in Financial Instruments Directive, entities authorized or regulated by a Member State without reference to the above Directive, and entities authorized or regulated by a non-Member State:

i. Credit Institutions;
ii. Investment Firms;
iii. Other Authorized or regulated financial institutions;
iv. Insurance Companies;
v. Collective Investment Schemes and management companies of such schemes;
vi. Pension funds and management companies of such funds;
vii. Commodities and commodity derivatives dealers;
viii. Locals;
ix. Other Institutional Investors (like Portfolio Investment Companies).

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

i. Balance sheet total: EUR 20,000,000
ii. Net turnover: EUR 40,000,000
iii. Own funds: 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 organizations.

D. 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 mentioned above from **(A)** to **(D)** are considered to be professionals in relation to all investment services and activities and financial instruments. They are however allowed to request non-professional treatment and the Company may agree to provide a higher level of protection. Where the client of the Company is an undertaking referred to above, the Company must inform the Customer, 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 Customer may request a variation of terms of the agreement in order to secure a higher degree of protection.

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 specifying whether this applies to one or more particular services or transactions, or to one or more types of product or transaction.

2.3.1 Customers that may request to be treated as professionals

2.3.1.1. Identification Criteria

Customers other than those mentioned in section **2.3,** including public sector bodies and private individual investors, may also be allowed to waive some of the protections afforded by the conduct of business rules.

The Company is therefore allowed to treat any of the above Customers as Professionals provided the relevant criteria and procedure mentioned below are fulfilled. These Customers will not, however, be presumed to possess market knowledge and experience comparable to that of the categories listed in section 2.3.

Any such waiver of the protection afforded by the standard conduct of business regime will 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 Customer is capable of making his own investment decisions and understanding the risks involved.

The fitness test applied to managers and directors of entities licensed under European Directives in the financial sector may 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:

i. 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,

ii. The size of the Customer's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR500.000.

iii. 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.

2.3.1.2 Procedure to change customer's classification

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

i. They must state in writing to the Company that they wish to be treated as a professional client, either generally or in respect of a particular investment service or transaction, or type of transaction or product,
ii. The Company will give them a clear written warning of the protections and investor compensation rights they might lose,
iii. They must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections.
iv. Before deciding to accept any request for waiver, the Company is required to take all reasonable steps to ensure that the Customer requesting to be treated as a professional client meets the relevant requirements stated in section 2.3.1.1 above.

Professional clients are responsible for keeping the Company informed about any change, which could affect their current categorization. Should the Company become aware however that the Customer no longer fulfills the initial conditions which made him eligible for professional treatment; the Company will take appropriate action.

3. REQUEST FOR DIFFERENT CATEGORISATION

3.1. A Retail Client has the right to request to be categorized as a Professional Client but will then be afforded a lower level of protection.

3.2. A Professional Client has the right to request to be categorized as a Retail Client in order to obtain a higher level of protection.

3.3. An Eligible Counterparty has the right to request to be categorized either as a Professional Client or Retail Client in order to obtain a higher level of protection.

3.4. The Company has the right to decline any of the above Customer requests.

4. PROTECTION RIGHTS

4.1. Retail Clients and/or Professional Clients

Where the Company treats the Customer as a Retail Client, he/she will be entitled to more protections under the law than if the Customer was entitled to be Professional Client. In summary, the additional protections retail clients are entitled to are as follows:

a. A retail client will be given more information/disclosures with regard to the Company, its services and any investments, its costs, commissions, fees and charges and the safeguarding of customer financial instruments and customer funds.

   Under the law, where the Company provides investment services other than investment advice (in the form of personal recommendations) or discretionary portfolio management, the Company shall ask a retail client to provide information regarding his knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded so as to enable the investment firm to assess whether the investment service or product envisaged is appropriate for the customer. In case the Company considers, on the basis of the information received, that the product or service is not appropriate for a retail client, it shall warn the client accordingly. Please note that the Company is not required to assess appropriateness in certain cases specified by law.

   The Company shall be entitled to assume that a professional client has the necessary experience and knowledge in order to understand the risks involved in relation to those particular investment services or transactions, or types of transaction or products, for which the customer is classified as a professional client.

   Consequently, and unlike the situation with a retail client, the Company should not generally need to obtain additional information from the customer for the purposes of the assessment of appropriateness for those products and services for which they have been classified as a professional client.

b. When executing orders, investment firms and credit institutions providing investment services must take all reasonable steps to achieve what is called “best execution” of the customer’s orders that is to obtain the best possible result for their Customer.

c. Where the Company executes an order on behalf of a retail client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the customer which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

d. When providing professional clients with best execution the Company is not required to prioritize the overall costs of the transaction as being the most important factor in achieving best execution for them.

e. Investment firms and credit institutions providing investment services must obtain from the Customer such information as is necessary for the firm or credit institution, as the case may be, to understand the essential facts about the Customer and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or entered into in the course of providing a portfolio management service, satisfies the following criteria:

   i. It meets the investment objectives of the Customer in question;
   ii. It is such that the Customer is able financially to bear any related investment risks consistent with his investment objectives;
   iii. It is such that the Customer has the necessary experience and knowledge in order to understand the risks involved in the transaction or in the management of his portfolio.

Where the Company provides an investment service to a professional client it shall be entitled to assume that, in relation to the products, transactions and services for which it is so classified, the client has the necessary level of experience and knowledge for the purposes of paragraph (c) above. In

addition, under certain circumstances, the Company shall be entitled to assume that a professional client is able financially to bear any investment risks consistent with its investment objectives.

f. The Company must inform retail clients of material difficulties relevant to the proper carrying out of their order(s) promptly upon becoming aware of the difficulty.

g. The Company is required to provide retail clients:

   i. With more information than professional clients as regards execution of orders, other than for portfolio management;

   ii. With periodic statements in respect of portfolio management activities carried out on their behalf, more frequently than for professional clients.

h. Where the Company provides portfolio management transactions for retail clients or operate retail client accounts that include an uncovered open position in a contingent liability transaction, it will also report to the retail client any losses exceeding any predetermined threshold, agreed between the Company and the client, no later than the end of the business day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-business day, the close of the next business day.

i. If the Company provides an investment service other than investment advice to a new retail client for the first time after 1 November 2007, the Company must enter into a written basic agreement with the Customer, setting out the essential rights and obligation of the firm and the Customer.

j. The Company will not use financial instruments held on behalf of a client for its own account or the account of another customer, without the Customer's prior express consent to the use of the instruments on specified terms, as evidenced, in the case of a retail client, by his signature or equivalent alternative mechanism.

k. Retail clients may be entitled to compensation under the Investor Compensation Fund for Bank Clients or the Investor Compensation Fund for Clients of Investment Firms, as the case may be.

4.2 Eligible Counterparties

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

i. The Company is not required to provide the Customer with best execution in executing the Customer's orders;
ii. The Company is not required to disclose to Customer information regarding any fees or commissions that the Company pays or receives;
iii. The Company is not required to assess the suitability or appropriateness of a product or service that it provides to the Customer but can assume that the Customer has the expertise to choose the most appropriate product or service for him/her and that he/she is able financially to bear any investment risks consistent with his/her investment objectives
iv. The Company is not required to provide the Customer with information about the Company, its services and the arrangements through which the Company will be remunerated;
v. The Company is not required to provide the Customer with risk disclosures on the products or services that he/ she selects from the Company; and the Company is not required to provide reports to the Customer on the execution of his/ her orders or the management of his/her Investments.

4.3 Transactions with eligible counterparties

In case the Company receives and transmits orders on behalf of clients, may bring about or enter into transactions with eligible counterparties without being obliged to comply with the obligations under section 5 above in respect of those transactions or in respect of any ancillary service directly related to those transactions.

The Company, when it enters into transactions with eligible counterparties, obtains 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.

4.4. Retail Clients

A client, which is neither an eligible counterparty nor a professional client, is considered to be a retail client.

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