

Following the implementation of the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) in the European Union and in accordance with the Law regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets of 2017 (Law 87(I)/2017, hereinafter the “Law”) in Cyprus, Tradernet Ltd (hereinafter the “Company” and/or “We”, “Us”, “Ours”) is required to categorise its clients into one of the following three (3) categories:

- **Retail Clients** (the highest level of protection)
- **Professional Clients** (intermediate level of protection)
- **Eligible Counterparties** (minimal level of protection)

This client categorisation is conducted depending on information provided by a Client during the account opening process and/ or thereafter during the business relationship.

**Professional Client** is one which falls in one of the following categories:

1. Entities which are authorized or regulated to operate in the financial markets, including those authorized by an EU member state:

- Credit institutions
- Investment firms
- Insurance companies
- Collective investment schemes (UCITS) and their management companies
- Pension funds and their management companies
- Commodity and commodity derivatives dealers
- Other institutional investors, whose main activity is to invest in financial instruments.

2. Large undertakings meeting *two* of the following requirements:

- Total balance sheet: 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 (e.g. central banks, international and supranational institutions)

4. Institutional investors whose main activity is to invest in financial instruments, including entities dedicated to securitisation of assets or other financing

MiFID II distinguishes between per-se professional clients and elected professional clients (retail clients who may be treated as professional clients on request).

**Eligible Counterparty** is one which falls in one of the following categories:

- Investment Firms
- Credit Institutions
- Insurance Companies
- UCITS and their management companies
- Pension funds and their management companies
- Other financial institutions authorized or regulated under the European Union legislation or the national law of a Member State
- Undertakings whose main business consists of dealing for own account in commodities and or commodity derivatives or undertakings which provide investment services and or perform activities consisting exclusively in dealing on own account on markets in financial futures or options or other derivatives markets, or which deal for the accounts of other member of those markets
- National and regional governments and their corresponding offices including public bodies that deal with public debt, central banks, supranational organizations
- Large undertakings meeting predetermined proportionate requirements, including quantitative thresholds
- Third country entities with equivalent status

**Retail Client** is every client who is not a Professional Client or an Eligible Counterparty