

CLIENT CATEGORISATION POLICY

1. Purpose

AGM Markets Limited, hereafter “the Company”, prior to engaging in business relationship, notifies the potential Clients of the Clients’ classification in use by the Company, and informs them about the category in which they are initially classified by the Company. Clients shall be categorised into one of the following three categories: (a) retail, (b) professional or (c) eligible counterparty

2. Legal Framework

The Company is operating under Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as the same may be in force from time to time and modified or amended from time to time (the “Markets in Financial Instruments Directive (2004/39/EC)” or “MiFID”), which was implemented in Cyprus by the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007 of 26 October 2007) and Cyprus Law 106(I)/2009 of 23 October 2009, which provide for the provision of Investment Services, the exercise of Investment Activities, the operation of Regulated Markets and other related matters (the “Investment Services and Activities and Regulated Markets Law”), as the same may be modified and amended from time to time.

3. Policy

3.1. Categories

a. 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 consider to be falling within the following categories:

- Investment firms
- Credit institutions

- Insurance companies
- UCITS and their management companies
- Pension funds and their management companies
- Other financial institutions authorised 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 organisations
- Third country entities equivalent to the categories mentioned above

b. Professional Clients

Professional client is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. In order to be considered a professional client, the client must fall within the following categories of clients:

- Entities which are required to be authorised or regulated to operate in the financial market, either from Member States or non Member States, such as:
 - i. Credit institutions
 - ii. Investment Firms
 - iii. Other authorised or regulated financial institutions
 - iv. Insurance undertakings
 - v. Collective investment schemes and management companies of such schemes
 - vi. Pension funds and management companies of such funds
 - vii. Commodity and commodity derivatives dealers
 - viii. Locals
 - ix. Other institutional investors
- Large undertakings meeting two of the following size requirements, on a proportional basis:
 - i. Balance Sheet total at least EUR20.000.000
 - ii. Net Turnover at least EUR40.000.000
 - iii. Own Funds at least EUR2.000.000
- National and regional governments and public bodies

- Other institutional investor whose main activity is to invest in financial instruments including entities dedicated to the securitisation of assets or other financing transactions

c. Retail Clients

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

3.2.Option to change classification

It is noted that an eligible counterparty or professional client is allowed to request non professional treatment and the Company may agree to provide a higher level of protection. In this respect, the Company notifies its clients in a written form of their option to be classified as retail clients. The Company proceeds in this action, in order to offer a uniform level of protection to all of its clients.

The higher level of protection will be provided by the Company when the client enters into a written agreement with the Company, to the effect that it shall not be treated as a professional. It is the responsibility of the client who is classified as a professional client to ask for a higher level of protection when he is not in a position to properly assess and manage the risks involved in the transactions.

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 of the following criteria are satisfied:

- The client has carried out transactions, in significant size, at an average frequency of 10 per quarter over the previous ten quarters.
- The size of the client's financial instrument portfolio exceeds EUR500.000.
- 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 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 shall give them 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.