



## **DXA Capital Investment Services S.A.**

### **Customer Categorization Policy**

The present Customer Categorization Policy has been formulated in accordance with the current legislative and regulatory framework.

This policy aims to provide guidance to the relevant units of the Company regarding the anticipated categorization of its Customers.

The responsible unit for monitoring and reviewing Customer categorization is the unit to which the Customer is assigned based on the investment services provided to them.

The Customer category appears on the Customer's information screen in all systems used by the Company to ensure the provision of services to the Customer in a manner that corresponds to their category.

Based on the provisions of the relevant legislation, the Company, as an investment firm licensed to provide investment services and offering investment and ancillary services on financial instruments, is obliged to categorize Customers into the categories prescribed by the applicable legislation based on criteria provided by law.

The following categories of Customers are distinguished:

- Retail Clients
- Professional Clients, distinguished as follows:
  - Professionals by nature
  - Professionals by size
  - Eligible Professional Clients
- Eligible Counterparties

#### **1. Definitions and Customer categorization**

"Customers" are natural or legal persons to whom the Company provides investment or ancillary services.

The relevant legislation provides for different levels of protection for each category of Customers when providing them with investment and ancillary services on financial instruments. The highest level of protection is provided to retail Clients and the lowest to eligible counterparties. Therefore, the Company provides for different treatment of Customers depending on their categorization.

### 1.1. Retail Clients

Retail Clients are Customers who cannot be considered Professional Clients or Eligible Counterparties. Retail Clients enjoy the highest level of protection among all investor categories. Protection does not refer to the quality of the services provided, which is high for all Clients, but to specific issues defined by legislation, particularly concerning the detailed provision, compared to Professional Clients, of the type and form of information provided by the Company.

### 1.2. Professional Clients

A Professional Client, treated as such by the Company (unless a change of category has taken place and they are treated as a Retail Client or an Eligible Counterparty), is a Customer who meets the criteria set out in Annex II of Law 4514/2018.

These are Clients who have the experience, knowledge, and expertise to make their own investment decisions and to properly assess the risks they incur and mainly involve legal entities.

Professional Clients are distinguished as follows:

- Professionals by nature
- Professionals by size
- Professional Clients treated as such upon request (*Potential Professional Clients*).

#### 1.2.1. Professionals by nature

Professionals by nature include the following:

A. Businesses required to obtain operating licenses or subject to regulatory rules to conduct their typical activities in financial markets, whether or not they have obtained a license from a member state under EU legislation or are licensed or subject to regulatory rules of a third country. Such businesses include:

- credit institutions
- investment firms
- other financial institutions licensed or regulated
- insurance companies
- collective investment schemes and their management companies
- pension funds and their management companies
- commodity dealers and derivatives traders
- local businesses
- other institutional investors.

B. National and regional governments, public bodies managing public debt at national or regional level, central banks, international and transnational organizations such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank, and other similar international organizations.

C. Other institutional investors, whose primary activity is investment in financial instruments, including entities whose sole purpose is the securitization of asset-backed securities or other financial transactions.

### 1.2.2. Professionals due to their size

Professionals Clients due to their size are considered for all investment services and activities and financial instruments, large enterprises that meet two of the following three size criteria on an individual basis (i.e., on a per company basis):

- balance sheet total: €20,000,000,
- net turnover: €40,000,000,
- own funds: €2,000,000.

### 1.2.3. Potential Professional Clients

Potential Professional Clients are those Retail Clients, including public bodies, local authorities, municipalities, and individual retail investors, who meet specific criteria and may therefore request to be treated as Professionals by waiving part of the increased level of protection provided to them by categorizing them as Retail Clients, provided that the criteria and procedures referred to below are met.

In any case, these clients are not considered to have knowledge of the market and experience comparable to that of Retail Clients.

- Evaluation. For this categorization, the Company conducts a suitable assessment of the Client's specialization, experience, and knowledge to reasonably ascertain that, given the nature of the planned transactions or services, the Client is capable of making investment decisions on their own and understanding the risks involved. If the Company is not reasonably convinced of the above, it does not accept and does not proceed with this categorization.

Suitability tests applied to managers and directors of entities licensed under financial sector guidelines may be considered examples of such experience and knowledge assessment. In the case of a small entity, the person subject to this assessment is the person authorized to transact on its behalf.

- Criteria. During this assessment, it must be determined that at least two of the following criteria are met for the respective Client:

- i. the client has conducted on average ten (10) transactions of sufficient volume per quarter in the relevant market during the last four quarters,
  - ii. the value of the client's financial instrument portfolio, defined as cash deposits plus financial instruments, exceeds five hundred thousand (500,000) euros,
  - iii. the client has held or held for at least one year a professional position in the financial sector that requires knowledge of the intended transactions or services.
- Procedure.
- ✓ Clients inform the Company in writing of their desire to be treated as professional clients, either generally, or for a specific investment service or transaction, or for a type of transaction or product,
  - ✓ The Company sends them a written warning clarifying the protections and compensation rights they may lose.
  - ✓ Clients declare in writing in a document separate from the contract that they are aware of the consequences of losing these protections.
- Before deciding to accept this categorization, the Company must take all reasonable measures to ensure that the Client who wishes to be treated as a professional client meets the above criteria. However, if Clients have already been classified as Professional Clients based on criteria and procedures as described above, their relationship with the Company is not affected by any new rules introduced according to this categorization.

#### Consequences of classification in this category

Professional Clients, whose knowledge and experience are presumed, have the ability to choose from a wider range of financial instruments, investment services, and negotiation strategies in the market.

With an agreement between the Company and the Professional Client, a range of issues and matters related to the provision of investment services, general information, and particularly information on costs and related charges (other than the provision of investment advice and/or portfolio management) may be regulated.

Also, in the assessment of best execution, the cost parameter is not the most important factor compared to other factors (e.g., speed, quality of execution).

A Client considered a Professional Client is obliged to seek a higher level of protection themselves if they believe they are unable to assess or manage the risks they undertake.

The highest level of protection will be provided when a Client considered professional enters into a written agreement with the Company stipulating that they should not be treated as a Professional Client for the purposes of applying the Company's ethical rules. This agreement specifies whether

this applies to one or more specific services or transactions or to one or more types of products or transactions.

### 1.3. Eligible Counterparties

Eligible counterparties include investment firms, credit institutions, insurance companies, UCITS and their management companies, pension funds and their management companies, other financial institutions authorized to operate or subject to regulations of Union law or national law of a member state, national governments and their respective agencies, including public entities managing public debt at national level, central banks, and supranational organizations. Local authorities (which may request to be treated as Professional Clients) are excluded in any case.

The categorization of a client as an Eligible Counterparty applies to the provision and execution of orders services, while for investment services of investment advice and portfolio management, they are treated as professionals.

Where a client is treated as an Eligible Counterparty, the Company is not obliged to comply with the obligations of Article 24 except for paragraphs 4 and 5, Article 25 except for paragraph 6, Article 27, and Article 28(1) of Law 4514/2018 regarding the provision and execution of orders services or any ancillary service directly related to those transactions.

The categorization as an Eligible Counterparty does not affect the right of that entity to request to be treated as a client whose relationship with the Company is subject to the provisions of Articles 24, 25, 27, and 28 of Law 4514/2018.

The Company obtains explicit consent from the counterparty for its categorization as an Eligible Counterparty either in the form of a general agreement before entering into a contract with the Company for the provision of investment services or before the execution of an individual transaction.

In the case of a transaction where the potential counterparty is established in another member state, the Company accepts the counterparty's status as determined by the legislation of the member state of its establishment.

## **2. Cases of Consent from the Client regarding Their Categorization**

The Company informs clients upon the conclusion of their contractual relationship of their categorization as Retail Clients, Professional Clients, or Eligible Counterparties as defined by law.

The Company informs clients through a stable medium of their right to request their classification into another category and any restrictions that a different category entails regarding the level of protection.

Clients who wish to reclassify themselves contact the Company at the following email address: [support@finnso.com](mailto:support@finnso.com)

All Clients, regardless of category, are obliged to inform the Company of any change that may affect their categorization.

Specifically, a client categorized by the Company as a Professional Client has the right to request a higher level of protection if they consider themselves unable to properly assess or manage the risks they are exposed to. The highest level of protection is provided if the client classified as a Professional Client enters into an agreement with the Company stating that they wish to be categorized as a Retail Client.

The Company is committed to obtaining explicit consent from the Individual Potential Professional Client for their categorization as a Professional, as well as from the Professional Client for their treatment as an Eligible Counterparty.

Specifically, for the categorization of a Retail - Potential Professional Client as a Professional, a prior request from the client in a separate document is required for their treatment as a Professional. The document includes a statement from the client acknowledging the consequences of losing the protection as a Retail client.

The Company may accept a client's request for reclassification only if it is reasonably convinced, after appropriate assessment of the client's specialization, experience, and knowledge (as above), that, given the nature of the planned transactions or services, the client is capable of making investment decisions alone and understanding the risks involved.

The Professional Client is obliged to inform the Company of any change that may affect their categorization.

The Company is entitled, if it finds that a client no longer meets the terms under which they were classified as a Professional, to reclassify them as a Retail Client and inform them accordingly (*mandatory reclassification*).

In any case of client reclassification, the level of protection implied by the previous category is replaced by the level of protection provided by the new category (higher (opt-down) or lower (opt-up), as appropriate).

The change of category is made after a recommendation from the responsible person for client service and after informing the client accordingly.

For the categorization of a Professional Client as an Eligible Counterparty, prior explicit consent of the client and agreement of the parties are required, stating that the subject of the contract is exclusively the provision of reception, transmission, and/or execution of orders services.

In the event that an Eligible Counterparty explicitly requests to be treated as a Retail Client, the Company treats them as a Retail Client, applying the provisions for requests to be treated as non-professional clients of the second, third, and fourth paragraphs of Section I of Appendix II of Law 4514/2018.

Additionally, when a legal entity client requests to be treated as an Eligible Counterparty, they submit their request in writing, and the following procedure is followed:

- The Company informs the client in writing about the consequences and protections they may lose due to the request.
- The client confirms in writing their request to be treated as an Eligible Counterparty and acknowledges the consequences of losing this protection as a result of the request.

### **3. Consequences of Client Categorization**

#### **3.1. Retail Clients Retail**

Clients are treated with the highest possible level of protection concerning investment services and information according to the law. Consequently, various financial instruments, investment services, or trading strategies in the market may not be suitable or compatible with the profile of a Retail Client, and therefore, conducting transactions in the above cases is not possible.

Additionally, the framework for pre-contractual and ongoing information, including information on charges, is a priori determined in terms of type and form, and the possibility of establishing a different information system with a specific individual agreement with the Company is extremely limited. Finally, the method of determining best execution differs in terms of the weight given to the "total consideration" compared to other parameters (e.g., speed, quality of order execution), prioritizing the principle of "total consideration" based on which the achieved result is primarily assessed.

#### **3.2. Professional Clients**

Professional Clients, whose knowledge and experience are presumed, have greater discretion in choosing financial instruments, investment services, and trading strategies in the market. Various issues related to the provision of investment services, including information and disclosure about costs and related charges, except in cases of investment advice or portfolio management, can be regulated by a specific agreement between the Company and the client. Finally, the assessment of best execution does not prioritize the total consideration compared to the weight of other factors considered (e.g., speed, quality of execution).

Professional Clients are required to inform the Company of any change that may affect their classification.

#### **3.3. Eligible Counterparties**

The Company provides Eligible Counterparties with information regarding the Company, the financial instruments it offers, execution venues, custody of clients' financial instruments and funds, as well as information and reporting requirements regarding more complex financial instruments and transactions.

In summary, the main axes of client categorization are as follows:

- *Eligible Counterparties*: The Company proposes to Eligible Counterparties, to whom it provides order reception, transmission, and/or execution services, to categorize them as such for all financial instruments. Until their consent is obtained, and in case of non-consent, these specific clients are categorized by the Company as Professional Clients for all services and financial instruments.
- *Professional Clients/Potential Professional Clients*: Specifically for new clients categorized by the Company as Professionals due to their nature or size, they sign a relevant agreement. In the event of a reclassification of an existing Retail client as a Professional client - due to size or nature - at the initiative of the Company, the client is informed accordingly by letter and asked to sign a new agreement (Professional Client agreement). Until the new agreement is signed, the client remains categorized as a Retail client.
- *Retail Clients*: All other client categories are categorized by the Company as Retail Clients for all services and financial instruments.

#### **4. Suitability and Compatibility Assessment**

**A.** For the provision of order reception, transmission, and execution services, within the framework of the established target market criteria of financial instruments:

- For Retail Clients, compatibility checks are conducted for complex products.
- For by default Professional Clients and Eligible Counterparties, it is assumed that they have the necessary knowledge and experience beforehand, and no compatibility check is required.

**B.** In cases where the Company provides investment advice or portfolio management services, both for Retail Clients and Professional Clients, as already mentioned, suitability checks will be carried out using predefined questionnaires, aiming to gather sufficient information regarding each client's experience in investment services and transactions, their financial situation, and investment objectives, including their risk tolerance threshold.

#### **5. File Maintenance**

The responsible unit for monitoring and reviewing the Client categorization, to which the Client is assigned based on the investment services provided to them, maintains a file with all relevant



documents and information, based on which the categorization or any reclassification of the Client was made, such as:

- i) Information taken into account for the Company to ensure that the Client meets the criteria to be considered and treated by the Company as a Professional Client or Eligible Counterparty;
- ii) Company letters, e-mails or platform notifications notifying the Client of their classification into a certain Client category;
- iii) Client requests for their classification into specific Client categories or their reclassification;
- iv) Company, e-mails or platform notifications regarding acceptance or rejection of the Client's categorization and/or reclassification request;
- v) Client consent letters regarding their categorization;
- vi) Company notifications to the Client regarding (re)classification of the Client.

## **6. Policy Review**

The Regulatory Compliance department is responsible for assessing this Policy at regular intervals, at least annually, to determine whether and how the Policy should be revised to achieve its objectives more effectively and to take appropriate measures to address any weaknesses.