

Client Categorisation Policy Statement

Introduction

NUMBER ONE BROKERS LTD (hereinafter called “the Company”) is an investment dealer registered and licensed in the Republic of Mauritius and regulated by the Financial Services Commission of the Republic of Mauritius (the “FSC” or “Commission”) under Investment dealer license No SEC-2.1B (full service dealer excluding underwriting) (the “Licence”).

Client Categorisation

The Company, prior to engaging in business relationship with potential clients, notifies the potential clients about clients’ classification in use by the Company, and informs them about the category in which they are initially classified by the Company.

The Client does not satisfy the definition of Sophisticated Investor, in which case we shall notify the Client that we wish to treat him/her/them as such; and

The Client may request a different client categorisation from the one the Company has allocated to him/her/them and the Company reserves the right to decline such a request. If the Client requests a different categorisation and we agree to such a request, the Client may waive some of the protections afforded to it. We will consider such requests at our discretion and after reviewing the Client’s circumstances. Should the Client’s circumstances change, the Client is responsible for notifying us of the change.

It is noted that if the Company elects to treat the Client, or the Client requests to be treated, as a Sophisticated Investor, the Company will provide the Client with full details of any limitations to the level of regulatory protection that such a different categorisation would entail. The client categories and the categorisation criteria based on which the Clients are categorised are outlined in the following clauses.

a. Categorisation criteria

The criteria for categorising Clients based on the relevant regulations are described below.

1. “Sophisticated Investor”

Is a client who possesses the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that they incur. Such Clients must fall under one of the following categories:

- 1.1. The following clients shall be regarded as Sophisticated Investors in all investment services and financial instruments:
 - 1.1.1. The Government of Mauritius;
 - 1.1.2. A statutory authority or an agency established by an enactment for a public purpose;
 - 1.1.3. A company, all the shares in which are owned by the Government of Mauritius or a body specified in paragraph 1.1.2
 - 1.1.4. The Government of a foreign country, or an agency of such Government;
 - 1.1.5. A bank;
 - 1.1.6. A Collective Investment Scheme;
 - 1.1.7. A Collective Investment Scheme manager;
 - 1.1.8. A pension fund or its management company;
 - 1.1.9. A closed-end fund;
 - 1.1.10. An insurer;
 - 1.1.11. An investment adviser;
 - 1.1.12. An investment dealer;
 - 1.1.13. a person declared by the Commission to be a sophisticated investor.
- 1.2. The entities mentioned above are considered to be Sophisticated Investors. They are however allowed to request treatment as Non-Sophisticated Investor and the Company may agree

to provide a higher level of protection. Where the Client is an undertaking referred to above, the Company shall inform him/her prior to any provision of services that, on the basis of the information available to us, the Client is deemed to be a Sophisticated Investor, and will be treated as such unless the Company and the Client agree otherwise. The Company shall also inform the Client that he/she can request a variation of the terms of the Client Agreement in order to secure a higher degree of protection.

It is the responsibility of the Client, considered to be a Sophisticated Investor, to ask for a higher level of protection when he/she deem(s) he/she is unable to properly assess or manage the risks involved.

This higher level of protection will be provided when a Client who is considered to be a Sophisticated Investor enters into a written agreement with the Company to the effect that it shall not be treated as a professional for the purposes of the applicable conduct of business regime. Such agreement shall specify whether this applies to one or more particular services or transactions, or to one or more types of product or transaction.

1.2.1. Clients who may be treated as Sophisticated Investors on request

Clients other than those mentioned in section 1.1, corporate investors and private individual investors, may request to be treated as Sophisticated Investors (to waive some of the protection) provided that the criteria and procedure mentioned below are fulfilled.

1.2.2. The Company shall undertake an assessment of expertise, experience and knowledge of such a client to obtain a reasonable assurance that the client is capable of making investment decisions and understanding the risks involved. In the course of the assessment, as a minimum two of the following criteria shall be satisfied:

In case of natural person, an investor warrants at the time of entering into a securities transaction that:

- Its ordinary business or professional activity includes the entering into securities transactions, whether as principal or agent;
- Its individual net worth or joint net worth with his spouse exceeds one million USD, or its equivalent in another currency.

In case of legal person, an investor warrants at the time of entering into a securities transaction that:

- Its ordinary business or professional activity includes the entering into securities transactions, whether as principal or agent;
- It is an institution with a minimum amount of assets under discretionary management of 5 million USD, or its equivalent in another currency.

1.2.3. Clients defined above may waive some of the protection where the following procedure is followed:

- a. the client must state in writing to the Company that it wishes to be treated as Sophisticated Investor, either generally or in respect of a particular investment service or transaction, or type of transaction or product;
- b. the Company must give the client a clear written warning of the protections and investor compensation rights the client may lose;
- c. the client must state in writing, in a separate document from the contract, that it is aware of the consequences of losing such protections.

Before deciding to accept any request for waiver, the Company must take all reasonable steps to ensure that the client requesting to be treated as a Sophisticated Investor meets the relevant requirements stated above.

However, if clients have already been categorised as Sophisticated Investors under parameters and procedures similar to those above, it is not intended that their relationships with the Company should be affected by any new rules adopted pursuant to the regulations.

All Sophisticated Investors are responsible for keeping the Company informed about any change which could affect their categorisation.

b. Information on the level of protection

Sophisticated Investors

- a. In case the Company considers, on the basis of the information received, that the product or service is not appropriate to the Client, it shall warn the Client accordingly. The Company is entitled to assume that a Sophisticated Investor 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 product, for which the Client is classified as a Sophisticated Investor. Consequently, the Company should not generally need to obtain additional information from the Client for the purposes of the assessment of appropriateness for those products and services for which the Client has been classified as a Sophisticated Investor.
- b. When executing orders, the Company will take all reasonable steps to obtain the best possible result for the client under any circumstances. The best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the cost related to execution, which shall include all expenses incurred by the Client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to the third parties involved in the execution of the order. Further information can be found on the Company's Best Execution Policy. When providing Sophisticated Investors with best execution the Company is not required to prioritise the overall cost of the transaction as being the most important factor in achieving best execution for them.
- c. The Company must obtain from Clients such information as it is necessary for the Company to understand the essential facts about the Client 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, satisfies the following criteria:
 - i. It meets the investment objectives of the Client in question;
 - ii. It is such that the Client is able to financially bear any related investment risks consisted with his investment objectives;
 - iii. It is such that the Client has the necessary experience and knowledge in order to understand the risks involved in the transaction.

- d. Where the Company provides an investment service to a Sophisticated Investor 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 sub-clause (iii) above. In addition, under certain circumstances, the Company shall be entitled to assume that a Sophisticated Investor is able financially to bear any investment risks consistent with its investment objectives.
- e. The Company shall not use financial instruments held by us on behalf of a Client for our own account or the account of another Client of ourselves, without the Client's prior express consent to the use of the instruments on specified terms, by his signature or equivalent alternative mechanism.

Eligible Counterparties

Where the Company treats the Client as an Eligible Counterparty, the Client will be entitled to less protections under the law than they would be entitled to as a Professional Client. In particular, and in addition to the above:

- a. The Company is not required to provide the Client with best execution when executing 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;
- b. 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 for him/her and that he/she is able to financially bear any investment risks entailed with their investment objectives;
- c. The Company is not required to provide the Client with information about the Company, its services and the arrangements through which the Company will be remunerated;
- d. The Company is not required to provide the Client with risk disclosures on the products or services that they select from the Company; and
- e. The Company is not required to provide reports to the Client on the execution of their orders or the management of their investments.