



Gate Securities (Cyprus) Ltd

ex. Sheer Markets (Cyprus) Ltd

CLIENT CATEGORISATION POLICY

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CONTENTS

1. COMPANY INFORMATION	3
2. GENERAL PRINCIPLES	3
3. DEFINITION & CRITERIA FOR CATEGORISATION	3
4. CLIENT CATEGORISATION	4
5. REQUESTS FOR DIFFERENT CATEGORISATION	5
5.1. General	5
5.2. Clients who may be treated as professionals on request	6
5.3. Procedure	6
6. IMPORTANT NOTES	6



1. COMPANY INFORMATION

1.1. Gate Securities (Cyprus) Ltd (hereafter “the Company” or “Gate Securities”) is a Cyprus Investment Firm (hereafter “CIF”) authorized and regulated by the Cyprus Securities and Exchange Commission (hereafter “CySEC”) under License Number 395/20. The Company operates in full compliance with the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), as amended, as well as Delegated Regulation (EU) 2017/565, applicable CySEC Circulars, and ESMA Guidelines.

2. GENERAL PRINCIPLES

2.1. According to the above law, the Company is required to categorise its clients into one of the following three categories: “retail,” “professional” or “eligible counterparty.” As a result, the Company should evaluate any application for opening an account and classify any prospective Client under any of the categories mentioned above, always based on the information provided by the client.

3. DEFINITION & CRITERIA FOR CATEGORISATION

‘Retail Client’ is a client who is not a professional client or an eligible counterparty.

‘Professional Client’ is a client who possesses the experience, knowledge, and expertise to make its own investment decisions and assess the risks that it incurs. Such clients must fall into one of the following categories:

- a) Entities which are required to be authorized or regulated to operate in the financial markets (including entities authorized by a Member of State under a Directive, entities authorized or regulated by a Member of State without reference to a Directive and entities authorized or regulated by a non-Member State), such as:
 - 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. Commodity and commodity derivatives dealers.
 - viii. Locals
 - ix. Other institutional investors.
- b) Large undertakings which satisfy at least two of the following size requirements on a company basis:
 - i. balance sheet total at least Euro 20.000.000
 - ii. net turnover at least Euro 40.000.000
 - iii. own funds at least Euro 2.000.000
- c) National and Regional Governments, including public bodies that manage public debt at national or regional level, Central Banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank, and other similar international organizations.

- d) Another institutional investor whose main activity is to invest in financial instruments including entities that exclusively deal on assets securitization or other financial transactions.

‘Eligible Counterparty’ are any of the following entities to which a credit institution or an investment firm provides the services of reception and transmission of orders on behalf of clients and/or

execution of orders and/or dealing on own account: CIFs, other IFs, credit institutions, insurance undertakings, UCITS and their management companies, pension funds and their management companies and other financial institutions authorized or regulated under European law or under the national law of a Member State, national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organizations.

4. CLIENT CATEGORISATION

4.1. The Company distinguishes in accordance with the applicable law between the following client categories in respect of the investment services we provide:

- a) Retail clients.
- b) Elective Professional clients.
- c) Professional Clients per se,
- d) Eligible Counterparty opt up; and
- e) Eligible Counterparty per se.

4.2. The Retail Client categorisation is assigned to clients who do not satisfy the criteria to qualify as an Elective Professional Client, Professional Client per se, Eligible Counterparty opt up or Eligible Counterparty per se.

4.3. The Elective Professional Client categorisation is assigned to a client who satisfies two of the following conditions (the “quantitative test”):

- a) The client has conducted transactions, in significant size, on the relevant market at an average frequency of ten (10) per quarter over the previous four quarters;
- b) The size of the client’s financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500,000; and/ or
- c) 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.

4.4. Furthermore, the Elective Professional Client must have the expertise, experience, and knowledge to be capable of making his own investment decisions (the “qualitative test”).

4.5. The Professional Client per se categorisation is assigned to a client who falls under any of the following (a-d):

- a) An entity required to be authorised or regulated to operate in the financial markets including:
 - i. credit institution.
 - ii. investment firm.
 - iii. insurance companies.
 - iv. authorised collective investment schemes or the management company of such schemes.
 - v. pension funds or the management company of a pension fund.
 - vi. other authorised or regulated financial institutions.
 - vii. commodity or commodity derivative dealers.

- viii. locals.
- ix. another institutional investor.

- b) A company meeting two of the following size requirements.
 - i. balance sheet total at least Euro 20.000.000
 - ii. net turnover at least Euro 40.000.000
 - iii. own funds at least Euro 2.000.000
- c) A national or regional government or public body that manage public debt, central bank, international and supranational institution (e.g., World Bank, the IMF, the ECP), or another similar international organisation.
- d) Another institutional investor whose main activity is to invest in financial instruments including entities that exclusively deal on assets securitization or other financial transactions.

4.6. The Eligible Counterparty opt up categorisation is assigned to a client who includes any of the following and conducts eligible counterparty business, which include:

- a) deal on our own account; or
- b) execute orders on your behalf; or
- c) receive and transmit orders; or
- d) provide you with an ancillary service in connection with any of (a), (b) or (c).

4.7. The Eligible Counterparty per se categorisation is assigned to a client who includes any of the following and conducts Eligible Counterparty Business:

- a) credit institution.
- b) investment firm.
- c) insurance companies.
- d) authorised collective investment schemes or the management company of such schemes.
- e) pension funds or the management company of a pension fund.
- f) other authorised or regulated financial institutions.
- g) certain own account dealers in commodities or commodities derivatives.
- h) locals.
- (i) national government or its corresponding office.
- (j) central banks.
- (k) supranational organisations.

4.8. Prior to providing any investment or ancillary services, the Company shall notify new clients, and existing clients re-categorised, of their assigned categorisation in a durable medium. The Company shall inform clients of their right to request a different categorisation and of any limitations to the level of protection that such a request would entail, including details on the loss of rights under the Investor Compensation Fund (ICF) and relevant MiFID II investor protection rules.

5. REQUESTS FOR DIFFERENT CATEGORISATION

5.1. Clients have the right to request for a different categorisation provided that they fulfil the criteria set in Section 5.2. Following a client's request, the Company may

- a) treat as Professional or Retail a client that might otherwise be classified as an Eligible Counterparty to obtain a higher level of protection
- b) treat as Retail a client that is considered a Professional to obtain a higher level of

protection

- c) treat a Retail client as Professional in which case a lower level of protection is afforded.

5.2. The Company shall act on its own initiative in relation to par. (a) and (b) above in cases i.e., where it comes to the Company's attention that a Client does not longer meet the requirements or criteria of the current categorisation status thus offer a higher level of protection.

5.3. Clients who may be treated as professionals on request: Retail clients (including public sector bodies, local public authorities, and municipalities) may request to be treated as Elective Professional Clients provided that the Company conducts a robust qualitative assessment of the client's expertise, experience, and knowledge to ensure capability of making independent investment decisions, AND at least two (2) of the following quantitative criteria are met:

- a) The client has conducted transactions, in significant size, on the relevant market at an average frequency of ten (10) per quarter over the previous four quarters;
- b) The size of the client's financial instrument portfolio (defined as cash deposits and financial instruments) exceeds €500,000;
- c) 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.

5.4. The Company might request further documentation in order to verify that the client has indeed met with the above criteria such as trade reports, statement of transactions, signed confirmation of employers etc.

****Significant size:** is determined by the transactions that are individually large enough to provide the client with meaningful exposure. **

5.5. Procedure:

- a) Clients requesting Professional status must adhere strictly to the opt-up procedure:
 - The client must state in writing to the Company that they wish to be treated as a professional client (generally or for specific services/products).
 - The Company must provide a clear, standalone written warning outlining the protections and Investor Compensation Fund (ICF) rights they will lose.
 - The client must state in writing, in a separate document from the contract, that they are fully aware of the consequences of losing such protections.
- b) Prior to accepting any opt-up request, the Company shall conduct and document a comprehensive assessment of the client's fitness. Abusive or streamlined re-categorisation without adequate evidentiary proof (e.g., verified trade logs, bank statements, or employment records) is strictly prohibited.

6. IMPORTANT NOTES & ONGOING MONITORING

6.1. Professional Clients are obligated to keep the Company informed of any relevant changes in their circumstances that could affect their categorisation status. Should the Company become aware that a Professional Client no longer satisfies the initial conditions under which they were categorised, the Company must immediately re-categorise the client as a Retail Client and inform them in writing.

6.2. Ongoing Monitoring: The Company shall maintain ongoing compliance monitoring controls

(governed by the Compliance Function) to review client categorisation records periodically to ensure continued adherence to Law 87(I)/2017 and CySEC guidelines.

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