



EDMOND
DE ROTHSCHILD

CLIENT CATEGORISATION

GENERAL INFORMATION ABOUT MIFID II



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The purpose of this document is to inform the client of the organisation and solutions adopted by Edmond de Rothschild (Europe) (Hereinafter referred to as “the bank” or “EdRE”) in order to comply with the requirements of the European Directive on markets in financial instruments (Hereinafter referred to as “MiFID II”).

The objective of client classification is to establish levels of protection taking into account their knowledge of financial instruments and services and their ability to bear the risks associated with them.

The classification of clients is made in accordance with the regulations in force (MiFID II regulations) and cannot be the result of the client’s choice. However, in certain cases and under certain conditions, the client may request to change the classification in order to have lower (downgrading) or higher (upgrading) protection.

CLIENT CATEGORISATION

There are three categories of clients :

- Private clients (Retail clients as defined by regulation),
- Professional clients, which include :
 - Clients who can be treated as professionals at their own request (opt up professional clients),
 - Clients considered professionals by nature (Per se professional clients),
- Eligible counterparties.

PRIVATE OR RETAIL

The private client is defined as a client who cannot be considered a professional or an eligible counterparty and benefits from the highest level of protection.

This includes all individuals and legal entities that do not meet the criteria of a professional or an eligible counterparty.

PER SE PROFESSIONAL

A professional client is presumed by law to have the experience, knowledge and skill to make his or her own investment decisions and properly assess the risks involved. These are :

- Entities that need to be approved or regulated to operate in the financial markets :
 - Credit institutions
 - Investment firms
 - Other approved or regulated financial institutions
 - Insurance companies
 - Collective investment schemes and their management companies
 - Pension funds and their management companies
 - Traders in commodities and commodity derivatives
 - Local companies
 - Other institutional investors

- Large companies meeting two of the following criteria, at the individual level (professional client “by size”) :
 - Balance sheet total : 20 000 000 EUR;
 - Net revenues : 40 000 000 EUR;
 - Shareholders’ equity: 2 000 000 EUR;
- National and regional governments, including public bodies that manage public debt at the national or regional level, central banks, international and supranational institutions such as the World Bank, IMF, ECB, EIB, and other similar international organizations ;
- Other institutional investors whose primary business is investing in financial instruments, including entities engaged in asset securitization or other financing transactions.

ELIGIBLE COUNTERPARTY

An eligible counterparty is a legal entity which, among professionals, operates in the financial sector and has all the necessary knowledge, experience and expertise in investment matters:

- investment companies ;
- credit institutions,
- insurance companies,
- UCITS and their management companies,
- Pension funds and their management companies
- Other financial institutions authorized or regulated under the law of the Union or the national law of a member state,
- National governments and their departments, including public bodies responsible for the management of public debt at national level,
- Central banks,
- Supranational organizations.

COMMUNICATION TO THE CLIENT

The bank informs the client of its classification before providing any investment service (Receipt and transmission of orders, advisory mandate and discretionary management mandate), through the account opening document.

In the event of a change of category, the communication is renewed by the relationship manager who will indicate the new category in which the bank has classified the client.

The membership to a category can be challenged at any time by the client. This request must be made in writing to the relationship manager. The bank will process the request and will communicate its decision to the client.

IMPACTS OF EACH CATEGORY

| | PRIVATE CLIENT | | | PROFESSIONAL CLIENT | | | ELIGIBLE COUNTERPARTY CLIENT | | |
|--|------------------------------------|----------------------------------|------------------|------------------------------------|----------------------------------|------------------|------------------------------------|----------------------------------|------------------|
| | Receipt and transmission of orders | Discretionary management mandate | Advisory mandate | Receipt and transmission of orders | Discretionary management mandate | Advisory mandate | Receipt and transmission of orders | Discretionary management mandate | Advisory mandate |
| Collect information on the level of experience and knowledge of the client | X | X | X | | | | | | |
| Verification of the appropriateness of the transaction | X | | X | | | | | | |
| Execution of orders at the most favorable conditions for the client | X | X | X | X | X | X | | | |
| Communication of a cost and expense report before the service | X | X | X | ! | ! | ! | ! | ! | ! |
| Order execution confirmation | X | | X | X | | X | X | | X |
| Report on the adequacy of the transaction in relation to the client's profile | | | X | | | | | | |
| Information obligations concerning the management of the portfolio (Periodic statement of suitability in relation to the investor profile) | | X | X | | X | X | | X | X |
| Information on a significant change in a leveraged financial instrument | X | X | X | | | | | | |
| Periodic statement regarding the client's assets | X | X | X | X | X | X | X | X | X |
| Sending the KID for financial instruments covered by the PRIIPS regulation | X | | X | | | | | | |

! Limitation possible under certain conditions listed by law

CHANGE OF CATEGORY

The bank may, at the client's request, make a change of category when the client meets strict criteria laid down by law.

A client is not entitled to request to be classified in a category for which he does not meet the requirements. Thus, a private client will never be considered by the Bank as a professional person or as an eligible counterparty.

CHANGE FROM PRIVATE CLIENT TO PROFESSIONAL CLIENT

A private client can waive part of the protection granted to him and ask to be considered as a professional client. This is known as a "professional opt-up".

To do so, the client must notify his relationship manager in writing of his wish to be considered as a professional, either in general or for a specific type of product.

The relationship manager will conduct an assessment of the client's skills, experience and knowledge to ensure that the client is able to make their own investment decisions and understand the risks involved.

Moreover, the bank ensures that the client meets at least 2 of the following 3 criteria :

- The client has averaged ten transactions of a significant size per quarter over the previous four quarters in the relevant market ;
- The value of the client's portfolio of financial instruments, defined as including bank deposits and financial instruments, exceeds 500 000 EUR ;
- The client has been employed for at least one year, or has been employed for at least one year, in the financial sector in a professional position requiring knowledge of the transactions or services contemplated.

In the event of a positive evaluation, the relationship manager will inform the client in writing of the protections and rights that may be lost. These protections and rights waived are listed in the professional client section of this document.

It is imperative that the client conducts a detailed analysis of all technical aspects of the products, transactions or services for which he would like to be treated as a professional client and that he is also in a position to regularly monitor the extent of the risks to which he would be exposed.

The client must declare in writing, in a document separate from the contract, that he is aware of the consequences of the change of category and of his waiver of the aforementioned protections.

The bank provides its clients with standard letters to assist them in their change of category.

CHANGE FROM PROFESSIONAL CLIENT TO PRIVATE CLIENT

A professional client may apply for downgrading to the private category in order to have the highest level of protection when he feels that he is not able to properly assess or manage the risks to which he is exposed. This request will be processed by the bank, which will communicate its decision to the client.

Your relationship manager is at your disposal for any further explanation on your category and for any change.