



CLIENT CATEGORISATION NOTICE

xChief Central Asia Ltd.

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Trade Responsibly: Contracts for Difference (**CFDs**) are complex derivative instruments that are traded on margin (**Leveraged Products**). Margin trading carries a substantial degree of risk, as the use of leverage can significantly increase both potential gains and potential losses. Because of this, Leveraged Products may not be appropriate for every investor, and you should be aware that it is possible to lose the entire amount of your invested capital. You should never risk more than you can afford to lose. If you are uncertain whether trading is suitable for you, we recommend obtaining independent professional advice. Please take the time to read our **Risk Disclosure Notice** carefully for a full explanation of the risks associated with trading Leveraged Products.

1. SCOPE OF THE NOTICE

1.1 xChief Central Asia Ltd. (“xChief”, “we”, “us”, “our”) is required to classify each client (“Client”, “you”, “your”, “yourself”) as a Retail Client, Professional Client, or Market Counterparty.

1.2 By default, all Clients are categorised as Retail Clients.

1.3 Clients may request re-categorisation, which will be assessed on the basis of applicable criteria.

1.4 xChief reserves the right to review and, if necessary, amend a Client categorisation to ensure ongoing compliance.

1.5 Any capitalised terms not defined herein shall have the meaning set out in Schedule A (“Glossary”) of the xChief Client Agreement.

2. CATEGORISATION CRITERIA

2.1 Categorisation is determined in accordance with applicable legislation and regulatory standards.

2.2 Retail Client – any Client who does not qualify as a Professional Client or Market Counterparty.

2.3 Market Counterparty – includes credit institutions, investment firms, insurance undertakings, pension funds, regulated financial institutions, governments, central banks, supranational organisations, and other qualifying entities.

2.4 Professional Client – a Client with the necessary experience, knowledge, and expertise to make independent investment decisions and assess risks appropriately.

2.5 The following categories of clients shall be regarded as Professional Clients for the purposes of all investment services, activities, and financial instruments:

2.5.1 Authorised or Regulated Entities. Entities that are required to be authorised or regulated to operate in the financial markets. This category includes all authorised entities engaged in activities characteristic of the financial sector, such as:

- a. Credit institutions.
- b. Investment firms.
- c. Other authorised or regulated financial institutions.
- d. Insurance companies.
- e. Collective investment schemes and their management companies.
- f. Pension funds and their management companies.
- g. Commodity and commodity derivatives dealers.
- h. Local authorities.
- i. Other institutional investors.

2.5.2 Large Undertakings. Corporates meeting at least two of the following criteria on a company basis:

- a. Balance sheet total of at least USD 20,000,000.
- b. Net annual turnover of at least USD 40,000,000.
- c. Own funds of at least USD 2,000,000.

2.5.3 Public Authorities and International Institutions. National and regional governments, bodies managing public debt, central banks, and international or supranational institutions such as the World Bank, IMF, ECB, EIB, and other similar organisations.

2.5.4 Other Institutional Investors. Institutional investors whose primary activity is investing in financial instruments, including entities engaged in the securitisation of assets or other structured financing transactions.

2.6 The entities referenced above are deemed to qualify as Professional Clients. However, they retain the right to request treatment as non-professionals, in which case we may agree to provide a higher level of protection. Where a Client falls within the aforementioned undertakings, xChief is required, prior to the provision of any services, to notify the Client that - based on the information available - the Client is categorised as a Professional Client, and will be treated as such unless otherwise agreed between both parties. The Client may also request modifications to the terms of the agreement in order to secure enhanced protections.

2.7 It is the responsibility of a Client categorised as a Professional Client to request a higher level of protection if they consider themselves unable to adequately assess or manage the risks involved.

2.8 Enhanced protection will be provided where a Client, categorised as a Professional Client, enters into a written agreement with us confirming that they shall not be treated as a Professional Client for the purposes of the applicable conduct of business framework. Such agreement shall specify whether this applies to one or more particular services or transactions, or to specific categories of products or transactions.

3. ASSESSED PROFESSIONAL CLIENTS

3.1 Identification Criteria.

3.1.1 Clients not included in Section 2.5, such as public sector bodies, local authorities, municipalities, and private individual investors, may also be permitted to waive certain protections provided under the standard conduct of business rules.

3.1.2 xChief may classify such Clients as Professional Clients, provided the criteria and procedures outlined below are met. However, these Clients will not automatically be considered to possess the same level of market knowledge or experience as those listed in Section 2.5.

3.1.3 A waiver of protections under the standard business conduct framework will only be considered valid if, following an adequate assessment of the Client's expertise, experience, and knowledge, xChief is reasonably satisfied that the Client is capable of making informed investment decisions and fully understands the risks involved, taking into account the nature of the transactions or services concerned.

3.1.4 For legal entities, the individual undergoing the assessment must be the person authorised to execute transactions on behalf of the entity.

3.1.5 The following criteria must be met in the course of the assessment:

- a. the Client has net assets of at least USD 100,000; and
- b. either:
 - (i) the Client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters; or
 - (ii) The Client has worked or is working in the financial sector for at least two year in a professional capacity that requires knowledge of the relevant transactions or services.

3.2 Procedure.

3.2.1 For Retail Clients to be reclassified as Professional Clients, the following procedure must be followed:

- a. The Client must formally notify xChief of their request to be treated as a Professional Client, whether on a general basis or with respect to a specific investment service, transaction, or product type.
- b. xChief will provide the Client with a clear written notice outlining the protections rights that may be forfeited as a result of this reclassification.
- c. The Client must confirm in writing, in a document separate from the main contract, that they fully understand and accept the consequences of waiving such protections.

3.2.2. Before approving any waiver request, xChief is required to take all reasonable steps to ensure that the Client seeking Professional Client status meets the prescribed eligibility criteria.

3.2.3. xChief maintains comprehensive written internal policies and procedures governing the categorisation of Clients. Professional Clients are obligated to inform xChief promptly of any changes that may affect their classification. If xChief becomes aware that a Professional Client no longer meets the qualifying conditions that justified their classification, xChief will take the necessary corrective measures.

4. REQUEST FOR ALTERNATIVE CATEGORISATION

4.1. In accordance with this Notice, Clients may submit the following categorisation requests to xChief:

- a. A Retail Client may request to be reclassified as a Professional Client. In such cases, the Client will be subject to a lower level of regulatory protection.
- b. A Professional Client may request to be reclassified as a Retail Client. In such cases, the Client will benefit from a higher level of regulatory protection.
- c. An Market Counterparty may request to be reclassified as either a Professional Client or a Retail Client. In such cases, the Client will be afforded a higher level of protection.

4.2. xChief reserves the right, at its sole discretion, to decline any request for reclassification.

5. PROTECTION RIGHTS

5.1. When classified as a Retail Client, you are entitled to a higher level of statutory protection compared to being categorised as a Professional Client.

5.2. In accordance with applicable law, when xChief provides investment services other than investment advice (in the form of personal recommendations) or discretionary portfolio management, Retail Clients will be required to provide information regarding their knowledge and experience relevant to the investment service or product offered. This allows xChief to determine whether the proposed service or product is appropriate. If xChief determines that the service or product is not appropriate, it will issue a warning accordingly. Please note that xChief is not required to assess appropriateness in certain legally exempt cases.

5.3. xChief may assume that a Professional Client possesses the requisite knowledge and experience to understand the risks involved in relation to the investment services, transactions, or products for which they are categorised as a Professional Client. Consequently, xChief will not generally be required to obtain further information to assess the appropriateness of such services or products.

5.4. When executing client orders, Authorised firms (such as xChief) and credit institutions are legally obliged to take all reasonable steps to ensure “best execution” (i.e., achieving the most favourable result for their clients).

5.5. For Retail Clients, best execution is assessed in terms of the overall consideration, including the price of the financial instrument and all costs directly associated with execution. This includes execution venue fees, clearing and settlement charges, and any other third-party fees incurred in the execution process.

5.6. For Professional Clients, xChief is not required to prioritise overall transaction costs as the primary factor in determining best execution.

5.7. Authorised firms and credit institutions must obtain sufficient information from Retail Clients to understand the essential facts about the client and to have a reasonable basis to believe that a recommended or entered transaction is suitable, taking into account:

- a. The client's investment objectives.
- b. The client's financial capacity to bear investment risks consistent with those objectives.

- c. The client's knowledge and experience sufficient to understand the risks involved.
- d. Where services are provided to a Professional Client, the firm is entitled to assume that the client possesses the necessary expertise and experience.
- e. Where investment advice is provided to a Professional Client, the firm is entitled to assume that the client is financially capable of bearing investment risks consistent with their objectives.

5.8 By law, xChief is not permitted to enter into title transfer collateral arrangements with Retail Clients. However, such arrangements are permissible with Professional Clients, whereby client funds or financial instruments may be used as collateral for current or future obligations. Under these arrangements, client assets may not be segregated from the firm's own assets, exposing the client to potential credit risk against xChief.