



GRAVITY | PRIVATE WEALTH

Product Governance Policy

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1. Introduction

Gravity Private Wealth Ltd (hereinafter the "Company") is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 442079. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under license number 447/24.

The Company acknowledges that as of January 3, 2018, financial products developed and distributed in the European Union should be subject to adequate product governance arrangements, in order to ensure that said products, when distributed or sold, shall meet the needs and requirements of a specific target market, that the product distribution strategy shall be compatible with the identified target market and that reasonable steps shall be taken to make sure that the products are distributed to the identified target market.

In this context, the Company establishes the Product Governance Policy (hereinafter the "Policy"). The purpose of the Policy is to ensure that the Company acts in the client's best interests during all stages of the life-cycle of products or services and that it has adequate systems, procedures and controls in place to fully comply with its product governance requirements in a appropriate and proportionate way, taking also into consideration the nature of the investment products, the investment services and the products' target market.

2. Institutional and Supervisory Framework

2.1. Institutional Framework

The Company complies with the provisions of the current institutional and supervisory framework as formulated through the implementation of the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II"), the provisions of the Financial Services and Activities and Regulated Markets Law of 2017 (the "Law") and Directive DI87-01 (the "Directive").

2.2. Regulatory Framework

The Policy has been prepared in accordance with the following laws, regulations, directives and guidelines (the "Regulatory Framework"):

- L. 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets (the "Law");

- Regulation (EU) No. 600/2014 of the European Parliament and of the Council, of 15 May 2014 on Markets in Financial Instruments (MiFIR);
- Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014 on Markets in Financial Instruments (MIFID II);
- Delegated Directive (EU) No. 2017/593 of 7 April 2017, supplementing Directive 2014/65/EU of the European Parliament and of the Council;
- ESMA guidelines on MiFID II product governance requirements of 2 June 2017;
- ESMA Questions and Answers on MiFID II and MiFIR investor protection and intermediaries topics;
- CySEC circular C236, with regards to “Product Governance requirements under MiFID II”;
- Other laws, directives and circulars issued by ESMA and CySEC from time to time in relation to Product Governance.

3. Definitions

Term	Definition
Assessment of Appropriateness	The obligation of an Investment Firm to obtain the necessary information regarding the Client’s or potential Client’s knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded, as to enable the Investment Firm to assess whether the investment service or product envisaged is appropriate for the Client.
Client	Any natural or legal person to whom the Company provides Investment and/or ancillary services.
Distribution strategy	Means the Investment Services through which an Investment Product may be delivered
Distributor	An Investment Firm that offers, recommends or sells an Investment Product and service to a Client.
Elective professional Client	A Retail Client who may be treated as a Professional Client, following the fulfilment of the relevant criteria and procedure listed in Section II, Annex II of MiFID II.



Term	Definition
Investment Firm	Any legal person whose regular occupation or business is the provision of one or more Investment Service to third parties and/or the performance of one or more investment activities on a professional basis.
Investment Product/Product	A Financial Instrument (within the meaning of Article 4(1)(15) of MiFID II).
Investment Services	Any of the services and activities, respectively, specified in Section A of Annex I of MiFID II.
Manufacturer	An Investment Firm that manufactures an Investment Product, which includes the creation, development, issuance or design of that Investment Product, including when advising corporate issuers on the launch of a new Investment Product.
Negative Target Market	Any group(s) of Clients whose needs, characteristics and objectives are not compatible with a specific Investment Product.
Neutral Target Market	Any group(s) of Clients which are not included either in the Target Market or in the Negative Target Market of a Product.
Per-se professional Client	A Client who is included in the categories of Clients who are considered to be Professionals, in accordance with Section I, Annex II of MiFID II.
Product assortment	The Investment Products the Company will offer, to whom and through which Investment Service.
Retail Client	A Client who is not a Professional Client.
Suitability Assessment	The obligation of an Investment Firm to obtain the necessary information regarding the Client's or potential Client's knowledge and experience in the investment field relevant to the specific type of Investment Product or Investment Service offered or demanded, that person's financial situation including his ability to bear losses, and his investment objectives including his risk tolerance, so as to enable the Investment Firm to recommend to the Client or potential Client the investment services and Financial Instruments that are suitable for him.
Target Market	Any group(s) of Clients whose needs, characteristics and objectives are compatible with a specific Investment Product.



4. Scope

In the context of the aforementioned definitions and the Company's current business model, the Policy shall make reference to the requirements of both a product "distributor" and "manufacturer". In cases where the investment product is a collaborative process with either an entity that is not within the scope of MiFID II or with a third-country entity, the Company will outline the mutual responsibilities with its collaborator(s) in a written agreement.

4.1. Investment Services

The Company may distribute its products through the below investment services:

- Reception and transmission of orders in relation to one or more financial instruments;
- Portfolio management; and
- Provision of investment advice.

4.2. Financial Instruments

The Company may distribute the following instruments:

- Transferable securities;
- Money-market instruments;
- Units in collective investment undertakings;
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;

4.3. General Principles

In compliance with its product governance requirements under MiFID II, the Company will:

- Determine the actual target market for the products;
- Perform product testing to assess the behavior of the products;
- Have product governance controls in place to ensure the products and services it offers or recommends are compatible with the needs, characteristics and objectives of an identified target market and that its distribution strategy is consistent with the identified target market;
- Comply with all applicable requirements of the Law and relevant Directives and Regulations, including those relating to disclosure, assessment of appropriateness, inducements and proper management of conflicts of interest;

- Periodically review and update its product governance arrangements to ensure they remain robust and fit for their purpose, and take appropriate actions where necessary; and
- Ensure it can obtain (provide) all required information from (to) the product manufacturers.

5. Roles and Responsibilities

Responsibilities of the Board of Directors

The Board of Directors (the “Board” or the “Directors”) of the Company is responsible for the establishment and approval of this Policy, including any subsequent amendments/revisions, as well as its overall implementation. In addition, the Board has the responsibility of exercising effective control over the Company’s product governance process relevant to:

- The determination of the range of Investment Products and Investment Services the Company offers;
- The distribution strategy employed by the Company relevant to the Investment Products offered;
- Ensuring that the Policy is effectively communicated to, and implemented by, all directors and employees of the Company involved in the provision of Investment Services;
- Considering and deciding on cases where conflicts of interest may arise during the provision of an employee’s services;
- Reviewing and approving completely new Products carried out by, and in the name of, the Company and material changes to the Products already launched or offered by the Company;
- Ensuring that new Products and changes to existing Products are aligned with the Company's strategy and create value for the benefit of shareholders, Clients, employees and other stakeholders;
- Assessing any risks inherent in new Products and subsequently proposed changes and overseeing their development launch;
- Reviewing the systems and controls in place to support the development and implementation of any new Product;
- Reviewing scenario testing plans and the respective results;
- Ensuring that all directors and employees involved in the manufacturing and distribution process have sufficient understanding of the relevant Investment Products;
- Ensuring the timely and effective training of employees;
- Approving or rejecting the introduction of all new Products or amendments to the existing ones, in consultation and approval from Risk Management where applicable.

Responsibilities of the Departments

Staff of Departments are responsible for the following:

- Implementing the relevant Product Governance requirements and the associated procedures stipulated by this Policy;
- Identifying significant market events which could have a material impact on the nature of the Investment Products manufactured or distributed;
- Monitoring and documenting the level of sales that take place within the Neutral or Negative Target Markets;
- Recommending to the Board amendments / revisions to the Policy.

Responsibilities of the Regulatory Compliance & AML Department

The Regulatory Compliance & AML Department is responsible for the following:

- Supporting the business lines in the review and update of the Policy, including any proposed amendments to the Policy and respective processes;
- Expressing an opinion prior to the introduction of new Investment Products and Services, or making significant changes to existing ones;
- Overseeing the development and periodic review of product governance arrangements in order to detect any risk of failure by the Company to comply with its relevant obligations;
- Including in its annual compliance reports to the Board information about the Investment Products manufactured by the Company, as well as information on the distribution strategy to be followed by the Company both for manufactured and distributed products;
- Making available the above reports to the relevant competent authority on request;
- Recommending to the Board amendments / revisions to the Policy;
- Reviewing the Policy and any subsequent amendments / revisions and providing recommendations to the Board for the Policy's approval;
- Reviewing and escalating for approval to the Board the introduction of new Investment Services to be offered by the Company, or new types of Investment Products.

Responsibilities of the Risk Management Function

The Risk Management Function is responsible for expressing an opinion prior to the introduction of new Investment Products and Services or making significant changes to existing ones.

6. Product Governance Arrangements

6.1. Product Approval Process and Oversight

The Directors will approve new products and services (as well as changes in existing products and services), in accordance with the needs and characteristics of the clients to whom they will be offered. Additionally, the Directors will monitor and, annually, or at any other time deemed necessary, assess the adequacy of the Company's product governance arrangements and take appropriate steps to address any deficiencies or inconsistencies. The decisions taken by the Directors in this respect will be fully documented through minutes of the Directors' meetings.

Prior to being submitted to the Directors for approval, new products and services (as well as changes to existing ones) will be reviewed by staff members from a broad range of the Company's functional areas, including the General Manager, the AML and Compliance Officer and the General Counsel. The Company will ensure that the said staff members possess the necessary knowledge and expertise to understand the characteristics and risks of the products and services it intends to offer through regular appraisals, which will be formally documented. In the event training and developments needs are identified, they will be timely and appropriately dealt with.

The Company's AML and Compliance Officer will be responsible for the monitoring and the periodic review of the Company's product governance arrangements, in order to detect any risk of failure by the Company to comply with its relevant obligations. In this respect, the compliance reports submitted to the Directors on an annual or an ad-hoc basis will include information about the products and services offered.

6.2. Criteria for Selection of Product Manufacturer

The Company will exercise due skill, care and due diligence when selecting a product manufacturer. The Company will consider what impact the selection of a given product manufacturer will have on its clients against certain criteria including:

- The impact of charges;
- The financial strength of the manufacturer. Emphasis will be placed on the manufacturer's capital ratio, which must not be less than 10%. To safeguard this provision, the Company will make such contractual arrangements that will impose an obligation to the manufacturer to disclose this ratio and maintain it up to standards;



- To the extent that information is available, how efficiently and reliably the manufacturer will handle complaints and claims (if they arise). The Company's expectation is that should complaints and/or claims arise, they will be resolved within ten (10) working days; and
- The regulatory status of the manufacturer. The Company will only be co-operating with EU or third country manufacturers that are licensed and regulated by their relevant competent authorities. The Company will place emphasis on the distribution of products that have been manufactured by entities which are subject to the MiFID II product governance requirements.

6.3. Identification and Timing of the Potential Target Market

The identification of the target market will be conducted as part of the general review and approval process. Hence, the identification of the target market will occur at an early stage, when the Company's business policies and distribution strategies are defined by the management body and, on an ex-ante basis.

The Company will ensure from the very beginning, the general consistency of the products that are going to be offered and the related services that will be provided with the needs, characteristics and objectives of target clients.

The Company will focus on the investment services through which the products will be offered to their respective target markets. In this respect, the nature of the products will be duly considered. Where, on the basis of all information and data that may be at the Company's disposal and gathered through investment or ancillary services or through other sources, including the information obtained from product manufacturers, the Company assesses that a certain product is not compatible with the needs and characteristics of its existing or prospective clients, then the respective product will not be offered to certain clients as per the assessment performed.

The Company's obligation to identify the target market and to ensure that a product is distributed in accordance with the actual target market is not substituted by an assessment of appropriateness and has to be conducted in addition to, and before such an assessment. In particular, the identification, for a given product, of its target market and related distribution strategy shall ensure that the product ends up with the type of clients for whose needs, characteristics and objectives it had been designed, instead of another group of clients with whom the product may not be compatible.

6.4. Identification of the Actual Target Market

The Company will implement adequate product governance arrangements to ensure that products and services are compatible with the needs, characteristics, and objectives of an identified target market and that the intended distribution strategy is consistent with the identified target market.

The Company will use the product manufacturer's more general target market assessment (if any), as well as actual information and knowledge of its client base, to identify the target market and the distribution strategy of its products. The criteria that will be considered include:

Type of Clients

The "Type of Clients" criterion indicates the category of Clients to which the Product is targeted, in line with the three MiFID II categories of Clients:

- Retail;
- Professional (Elective and Per-se); and
- Eligible Counterparties ("ECPs").

Any Products that are targeted to Retail Clients, will also be suitable for Professional Clients and ECPs by default.

Knowledge and Experience

The "Knowledge and Experience" criterion indicates the level of knowledge and experience that the Retail Clients should have in relation to the relevant Product type, Product features or any other related areas, so as to ensure that the Client understands the Product's risks and complexities.

Knowledge and experience may be dependent on each other in some cases (i.e. an investor with limited or no experience could be a valid target Client if they compensate missing experience with extensive knowledge). This is reflected through the Appropriateness and Suitability test scores, which incorporate a variety of questions regarding knowledge and experience so as to assess both components cumulatively.

The above information will be compared for compatibility against the information obtained from MiFID II Client questionnaires during the client acceptance process, documented in line with the following three categories:

Basic investors: Typically, these clients have one or more of the following characteristics:

- Limited ability to understand relevant complicated financial instruments;
- Limited or no investment holdings;
- Infrequent or no trading/investment activity;
- No financial industry experience, interest, or knowledge.

Informed investors: These investors have at least one of these characteristics:

- Average ability to understand relevant complicated financial products;



- A number of investment holdings;
- Fairly frequent trading activity;
- Some financial industry experience and interest.

Advanced investors: These investors have at least one of the following characteristics:

- Good ability to understand relevant complicated financial products and transactions;
- Large number of diverse investment holdings;
- Frequent trading activity, previous exposure to high-risk or complex investments;
- Financial industry experience, interest, and knowledge.

Professional Clients and ECPs, as per MiFID II provisions, are presumed to possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks they incur, hence the above criterion is deemed to be always fulfilled.

Nevertheless, a distinction between “Per-se” Professional Clients and “Elective” Professional Clients should be made, providing that Clients in the latter category should not be presumed to possess the knowledge and experience as “Per-se” Professional Clients do have. Therefore, when the Target Market identification is performed, the Company will consider whether “Elective” Professional Clients possess the necessary knowledge and experience for the specific product, depending on the complexity of the said Product.

Financial situation and ability to bear losses

The “Financial situation and ability to bear losses” criterion indicates the percentage / extent of losses target Clients should be able and willing to afford, for each Investment Product offered, and if there may be any additional payment obligations that might exceed the initial amount invested by the Client.

The Company will document this based on the following type of “loss” categories, as listed below:

- No Capital loss: applicable for Clients that cannot afford any capital losses. Applicable Products would be fully guaranteed or protected Products;
- Limited Capital Loss: applicable for Clients that are willing to accept limited capital loss. Applicable Products would be Products with total or partial guarantee protection;
- No Capital guarantee: applicable for Clients that are willing to accept 100% loss of capital. Applicable Products would be Products with none, limited or full capital guarantee or protection;
- Loss beyond capital: applicable for Clients that are willing to accept losses beyond invested capital. Applicable Products would be Products with additional payment obligations that might exceed the amount invested as well as products with no, limited or full capital guarantee or protection.

***Risk tolerance***

The “Risk Tolerance” criterion indicates the general attitude that Clients should have in relation to the risks of investment. The Company will classify its clients in line with the following risk profiles:

- Conservative: The client has low risk tolerance;
- Balanced: The client has medium risk tolerance;
- Aggressive: The client has high risk tolerance.

Client’s Objectives and Needs

The Company will also specify, in its Target Market, the investment objectives and needs of target Clients that a Product is designed to meet, including possible wider financial or non-financial goals that target Clients may have, such as Environmental, Social and Governance (“ESG”) considerations and preferences. Examples of such wider financial goals or overall strategies include:

- Capital preservation;
- Capital growth;
- Income generation;
- ESG compatible.

Distribution Strategy

The “Distribution Strategy” indicates the investment service(s) through which an Investment Product is favored to be distributed with, in view of the different amount of Client information collected under each Investment Service. In particular, the service of Investment Advice provides a higher level of protection to Clients, since information about all five TM criteria is collected. It is noted that the Company only offers the investment service of Investment Advice.

The Company’s TM identification (including the Negative and Neutral TM) of the Investment Products distributed by the Company is included in Annex II.

6.5. Identification of the “Negative” Target Market

The Company should also define a “negative” target market for each product (if applicable), i.e. the set of potential investors / customers for whom the product would not be suitable / compatible with their characteristics at all. The definition of the negative target market should be made using the same categories as used in the definition of the potential (positive) target market. Alternatively, “all customers outside the potential target market (positive)” shall define the “negative” target market.

In situations where a product could, under certain circumstances and where all other legal requirements are met (including those relating to disclosure, assessment of appropriateness, identification and management of conflicts of interest), be sold outside the positive target market, these instances must be justified by the individual facts of the case and the reason for the deviation should be clearly documented. Approval for the sale of such products will be provided by the Company's Directors. An internal registry will be kept, where all such incidents with relevant details will be recorded.

As the "negative" target market is an explicit indication of those clients for whose needs, characteristics and objectives the product is not compatible and to whom the product should not be distributed, the sale to investors within this group will be a rare occurrence and the justification for the deviation will be accordingly substantiated. The approval and documentation procedure noted in the above paragraph will be adopted.

In the event that the Company becomes aware, for example, through the analysis of clients' complaints or other sources and data, that the sale of a certain product outside the target market identified ex-ante has become a significant phenomenon (for instance, in terms of number of clients involved), such input will be taken into due consideration in the course of its regular review of the products and related services offered. In such cases, the Company may, for example, come to the conclusion that the target market originally identified was not correct and that it needs to be reviewed or that the related distribution strategy was not appropriate for the product and has to be reconsidered.

6.6. Proportionality Principle

The Product Governance rules apply to all Investment Products manufactured and/or distributed on primary and secondary markets, irrespective of the type of the Investment Product or Investment Service provided and of the requirements applicable at the point of sale.

However, and in accordance with the Regulatory Framework, those rules can be applied in a proportionate manner, depending on:

- The Investment Service under which they are provided;
- The complexity of the Investment Products provided; and
- The level of the Client's sophistication.

Investment Services provided by the Company

The Company will undertake an assessment of all five Target Market criteria, for which corresponding Client information will be obtained from the Company's MiFID II Client Questionnaires.

It is noted that if a Client falls within the Target Market, this should not automatically mean that the Product is suitable for a Client but instead, subject to the relevant Suitability assessments, in line with the Company's established suitability arrangements.

Conversely, Products can be sold outside of their Target Market (i.e. within the Neutral TM), if the Product fulfils the suitability requirements conducted with a portfolio view, as well as all other applicable legal requirements, such those relating to disclosure, identification and management of conflicts of interest, remuneration and inducements. Selling outside of the specified TM requires approval of the Compliance Committee.

With respect to sales into the negative target market as part of Investment Advice services, these should be a rare occurrence, even if for diversification purposes.

Complexity of the Investment products provided by the Company

The complexity of the Investment Product represents an important factor and shall be taken into consideration during the application of the Product Governance rules.

In particular, in the case of simple, mass-market Financial Instruments offered for distribution to Clients (e.g. ordinary shares, plain vanilla bonds), the identification and assessment of the Target Market will be performed on a less granular level, compared to Financial Instruments assessed as complex (e.g. complex debt instruments, derivatives, leveraged ETFs).

The following are Investment Products captured by this Policy:

- Complex and Non-complex equity and equity-like instruments (ADRs, GDRs);
- Complex and Non-complex debt instruments;
- Structured products;
- Non-leveraged and leveraged ETFs.

Clients of the Company

The Company offers services to Retail and Professional Clients ("Per-se" and "Elective"), as well as to Eligible Counterparties ("ECPs"). In the case of Professional Clients and ECPs, these are assumed to possess the required knowledge and experience to understand the risks associated with the particular Investment Products for which they have been classified as Professional Clients. Conversely, Retail Clients' level of knowledge and experience could vary, therefore no assumption can be made about Retail Clients' knowledge and experience with respect to understanding investment risks.



6.7. Product Testing

The Company will need to identify, assess and document any and all risks related to the products, by means of conducting stress-tests and scenario analyses under various market conditions. The objective is to evaluate the robustness in the definition of the potential target market considering the characteristics defined for the product, assessing whether there are stressful situations in which the product is no longer adequate for the potential target market defined. Stress testing should also assess the existence of situations where the product may lead to capital market integrity problems (for example, if 100% of the portfolio needs to be sold immediately, depending on the size of the product). Scenario analysis shall also be taken in order to assess whether the costs / fee structure of the product is compatible with the characteristics of the target market.

In this respect, the Company shall assess the financial instrument under negative conditions covering what would happen if, for example:

- the market environment deteriorated;
- the financial instrument fails to become commercially viable; or
- demand for the financial instrument is much higher than anticipated, putting a strain on the Company's resources and/or on the market of the underlying instrument.

The Company will also examine whether the financial instrument is likely to pose a threat to the orderly functioning or stability of financial markets before deciding to proceed with its launch.

The Company will determine whether a financial instrument meets the identified needs, characteristics and objectives of the target market by examining the following elements:

- whether the financial instrument's risk/reward profile is consistent with the target market; and
- whether the financial instrument design is driven by features that benefit the client and not by a business model that relies on poor client outcomes to be profitable.

6.8. Distribution Strategy and Selection of Distributors and Distribution Channels

The Company will take into account the distribution strategy identified by the product manufacturer and define the commercial conditions as well as the marketing strategy / distribution channels in accordance with the marketing procedures of the Company that should be in line with the target market defined for the product. However, ultimately, including when a product manufacturer is an entity not subject to MiFID II and

thus it is not obliged to identify a distribution strategy, the Company will define its own distribution strategy in light of information on its client base and type of services provided.

The Company, under its capacity as distributor, will take reasonable steps to ensure that its financial products are distributed to the identified target market. As per section 3.1., the products will be distributed via the following investment services:

- Reception and transmission of orders in relation to one or more financial instruments;
- Portfolio management; and
- Provision of investment advice.

The preferred acquisition channel will be through an online platform. The Company's products will be distributed directly to retail, professional clients and eligible counterparties of a country which lies within the context of its authorization to freely provide/perform services/activities for member states and for third countries where the Company has a legal opinion or can justify beyond any reasonable doubt with substantive evidence that it can offer such services and products.

As regards provision of the aforementioned investment services in third countries, the Company complies with the applicable laws and regulations and, in particular, the provisions of Circular No. 534 (C534) of CySEC dated 24.10.2022. Therefore, prior to providing any investment services in third countries, the Company undertakes to notify CySEC by means of a letter of its intention to do so. The letter should include a list of the third countries in which the Company intends to provide the investment services. The Company should carry out the following actions:

- (i) Prior to providing the said services in third countries, the Company will acquire the necessary authorisation by the respective competent authorities of the third countries, in accordance with their legislative framework.
- (ii) The Company should provide CySEC with a certified copy of the authorisation for the provision of these services by the competent authority of the third country.
- (iii) In the case that the third country does not require such authorization, the Company must provide CySEC with a relevant certificate from the competent authority of the third country, stating that the legislation does not require such authorisation for the services to be carried out.

The Company shall be exclusively responsible for acquiring such authorisation by the competent authorities of the third countries.

The Company shall also file this information in the portal and notify CySEC in writing of any subsequent changes to the third countries in which they operate.

The Company shall declare on its website the names of all the third countries in which it will provide said services.

6.9. Regular Review of Products

The Company will, at least annually, or more frequently if that is deemed necessary, review its products to assess whether they remain consistent with the needs, characteristics and objectives of the identified target market and whether the intended distribution strategy remains appropriate.

Under its capacity as distributor, the Company will review products on a regular basis, by considering any event that could materially affect the potential risk of the identified target market and assess whether:

- the financial instrument remains consistent with the needs, characteristics and objectives of the target market;
- the financial instrument is being/continues to be distributed to the target market;
- the charging structure of the financial instrument remains appropriate;
- there are clients outside the defined target market (or negative target market clients);
- the financial instrument is reaching clients for whose needs, characteristics and objectives the financial instrument is not compatible; and
- there are any complaints received, as well as any client feedback.

The Directors will have effective control over the Company's product governance process. The Company's AML and Compliance Officer will be responsible for the monitoring and the periodic review of the Company's product governance arrangements, as well as for detecting any risk of failure by the Company to comply with its relevant obligations. In this respect, the compliance reports submitted to the Directors on an annual or an ad-hoc basis will include information about the products and services offered.

6.10. Distribution of Products Manufactured by Entities not subject to MiFID II

In the event where the Company distributes products that have not been manufactured by entities subject to the MiFID II product governance requirements, the Company shall perform the necessary due diligence so as to provide an appropriate level of service and security to its clients compared to a situation where the product had been designed in accordance with the MiFID II product governance requirements.

6.11. Conflict of Interest Assessment

The Company has conducted an initial (prior to the launch) and will conduct ongoing assessment of the potential conflicts of interest that may arise in view of the particular features of the product, its potential target market and the commercial conditions / commercial strategy defined, and its potential distributors. The following conflicts of interest have been identified and should be assessed:

- Personal account dealing;
- Inside and proprietary information;
- Inducements or other remuneration arrangements;
- Selection of service providers; and
- Access to electronic data.

In respect of these conflicts, the Company maintains and operates procedures with a view to taking all appropriate steps to prevent conflicts of interest from constituting or giving rise to material risk of damage to the interests of the Company's clients.

6.12. Charging Structure

In relation to the proposed charging structure of the financial instrument, the Company shall always take into consideration the following factors:

- whether the instrument's costs and charges are compatible with the needs, objectives and characteristics of its target market;
- whether the charges undermine the instrument's return expectations, such as where such charges equal, exceed or remove almost all of the expected tax advantages linked to the instrument; and
- whether the charging structure of the instrument is appropriately transparent for its target market.

In this respect, the applicable costs and charges will be disclosed prior to the distribution of the product and the relevant disclosure will not be too complex to understand.

6.13. Information from Product Manufacturers

The Company must obtain from the manufacturer the following information:

- Costs and charges: additional information about product costs and charges, to enable the Company to meet its obligations towards its clients;
- Complex and non-complex indicators: indicators of whether the manufacturer deems its product to be complex or non-complex;

- Product approval process: appropriate information on the manufacturer's product approval process; and
- Target market description: appropriate information about the intended target market of the financial instrument.

The Company must also take all reasonable steps to ensure it obtains adequate and reliable information from manufacturers who are not subject to MiFID II to ensure that products will be distributed in accordance with the characteristics, objectives and needs of the target market.

6.14. Information to Product Manufacturers

The Company will provide to product manufacturers information on sales and, where appropriate, any other relevant information that may be the outcome of the Company's own periodic review.

Information will also be provided on sales outside the manufacturer's target market (including sales within the negative target market), as well as information regarding the Company's decision to sell outside the target market or to broaden its distribution strategy beyond the one recommended by the manufacturer.

7. Implementation and Review

This Policy will be implemented from January 2023 onwards and will be subject to annual or more frequent review by the Company should the need arise and updated accordingly. The outcome of the review is submitted to the Company's Board.

The following circumstances can trigger the performance of the review process at an earlier stage:

- Change in the Investment Services and type of Clients accepted by the Company;
- Significant number of complaints from Clients, indicating situations of misselling;
- Identification of situations that are not adequately captured in the Policy;
- The applicable legislation requires the update of the Policy.



Annex I: Investment Products Distributed by the Company

Positive Target Market

Financial Instrument Type	Type of Clients	Knowledge and Experience level	Financial situation and ability to bear losses	Risk tolerance	Client's objectives and needs		Distribution strategy
					Investment Objectives	Investment horizon	
Non-complex equities	<ul style="list-style-type: none"> ○ Retail ○ Professional (Elective & Per-se) ○ Eligible counterparties 	<ul style="list-style-type: none"> ○ Basic ○ Informed ○ Advanced 	Ability to bear total capital loss (100% loss)	<ul style="list-style-type: none"> ○ Medium ○ High 	<ul style="list-style-type: none"> ○ Capital growth ○ Income generation 	<ul style="list-style-type: none"> ○ Short term ○ Medium term ○ Long term 	<ul style="list-style-type: none"> ○ Investment Advice ○ Portfolio Management
Non-complex bonds or other forms of securitized debt	<ul style="list-style-type: none"> ○ Retail ○ Professional (Elective & Per-se) ○ Eligible counterparties 	<ul style="list-style-type: none"> ○ Basic ○ Informed ○ Advanced 	<ul style="list-style-type: none"> ○ No capital loss (0% loss) ○ Ability to bear total capital loss (100% loss) 	<ul style="list-style-type: none"> ○ Low ○ Medium ○ High 	<ul style="list-style-type: none"> ○ Capital growth ○ Income generation ○ Fully guaranteed income ○ Fully predictable return profile 	<ul style="list-style-type: none"> ○ Short term ○ Medium term ○ Long term 	<ul style="list-style-type: none"> ○ Investment Advice ○ Portfolio Management
Complex equities	<ul style="list-style-type: none"> ○ Retail* ○ Professional (Elective & Per-se) ○ Eligible counterparties 	<ul style="list-style-type: none"> ○ Basic* ○ Informed* ○ Advanced 	Ability to bear total capital loss (100% loss)	<ul style="list-style-type: none"> ○ Medium ○ High 	<ul style="list-style-type: none"> ○ Capital growth ○ Income generation 	<ul style="list-style-type: none"> ○ Short term ○ Medium term ○ Long term 	<ul style="list-style-type: none"> ○ Investment Advice ○ Portfolio Management
Complex bonds or other forms of securitized debt	<ul style="list-style-type: none"> ○ Professional (Elective & Per-se) ○ Eligible counterparties 	<ul style="list-style-type: none"> ○ Informed* ○ Advanced 	Ability to bear total capital loss (100% loss)	<ul style="list-style-type: none"> ○ Medium ○ High 	<ul style="list-style-type: none"> ○ Capital growth ○ Income generation ○ Fully predictable return profile 	<ul style="list-style-type: none"> ○ Short term ○ Medium term ○ Long term 	<ul style="list-style-type: none"> ○ Investment Advice ○ Portfolio Management



Financial Instrument Type	Type of Clients	Knowledge and Experience level	Financial situation and ability to bear losses	Risk tolerance	Client's objectives and needs		Distribution strategy
					Investment Objectives	Investment horizon	
Exchange-traded derivatives (transferable securities)	<ul style="list-style-type: none"> Professional (Elective & Per-se) Eligible counterparties 	<ul style="list-style-type: none"> Advanced 	<ul style="list-style-type: none"> Ability to bear total capital loss (100% loss) 	<ul style="list-style-type: none"> Low Medium High 	<ul style="list-style-type: none"> Capital growth Income generation 	<ul style="list-style-type: none"> Short term Medium term Long term 	<ul style="list-style-type: none"> Investment Advice Portfolio Management
Money market Instruments	<ul style="list-style-type: none"> Retail Professional (Elective & Per-se) Eligible counterparties 	<ul style="list-style-type: none"> Basic Informed Advanced 	<ul style="list-style-type: none"> No capital loss (0% loss) Ability to bear total capital loss (100% loss) 	<ul style="list-style-type: none"> Low Medium High 	<ul style="list-style-type: none"> Capital growth Income generation Fully guaranteed income Fully predictable return profile 	<ul style="list-style-type: none"> Short term Medium term Long term 	<ul style="list-style-type: none"> Investment Advice Portfolio Management
Units in non-complex collective investments undertakings	<ul style="list-style-type: none"> Retail* Professional (Elective & Per-se) Eligible counterparties 	<ul style="list-style-type: none"> Basic* Informed* Advanced 	<ul style="list-style-type: none"> Ability to bear total capital loss (100% loss) 	<ul style="list-style-type: none"> Low Medium High 	<ul style="list-style-type: none"> Capital growth Income generation Fully predictable return profile 	<ul style="list-style-type: none"> Short term Medium term Long term 	<ul style="list-style-type: none"> Investment Advice Portfolio Management
Units in complex collective investments undertakings (eg leveraged, inverse ETFs, complex UCITS)	<ul style="list-style-type: none"> Professional (Elective & Per-se) Eligible counterparties 	<ul style="list-style-type: none"> Informed* Advanced 	<ul style="list-style-type: none"> Ability to bear total capital loss (100% loss) 	<ul style="list-style-type: none"> Low Medium High 	<ul style="list-style-type: none"> Capital growth Income generation 	<ul style="list-style-type: none"> Short term Medium term Long term 	<ul style="list-style-type: none"> Investment Advice Portfolio Management



Financial Instrument Type	Type of Clients	Knowledge and Experience level	Financial situation and ability to bear losses	Risk tolerance	Client's objectives and needs		Distribution strategy
					Investment Objectives	Investment horizon	
Currency Forwards	<ul style="list-style-type: none"> Professional (Elective & Per-se) Eligible counterparties 	<ul style="list-style-type: none"> Informed Advanced 	<ul style="list-style-type: none"> No capital loss (0% loss) Ability to bear total capital loss (100% loss) 	<ul style="list-style-type: none"> Low Medium High 	<ul style="list-style-type: none"> Capital growth Income generation 	<ul style="list-style-type: none"> Short term Medium term Long term 	<ul style="list-style-type: none"> Investment Advice Portfolio Management

*At the discretion / as defined of the Manufacturer of each Investment Product.

**Negative Target Market**

Financial Instrument Type	Type of Clients	Knowledge and Experience level	Financial situation and ability to bear losses	Risk tolerance	Client's objectives and needs		Distribution strategy
					Investment Objectives	Investment horizon	
Non-complex equities	None	None	<ul style="list-style-type: none"> No capital loss (0% loss) 	<ul style="list-style-type: none"> Low 	<ul style="list-style-type: none"> Fully guaranteed income Fully predictable return profile 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None
Complex equities	None	None	<ul style="list-style-type: none"> No capital loss (0% loss) 	<ul style="list-style-type: none"> Low 	<ul style="list-style-type: none"> Fully guaranteed income Fully predictable return profile 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None
Complex bonds or other forms of securitized debt	Retail*	<ul style="list-style-type: none"> Basic* 	<ul style="list-style-type: none"> No capital loss (0% loss) 	<ul style="list-style-type: none"> Low 	<ul style="list-style-type: none"> Fully guaranteed income 	None	<ul style="list-style-type: none"> None
Exchange-traded derivatives (transferable securities)	Retail*	<ul style="list-style-type: none"> Basic* Informed* 	<ul style="list-style-type: none"> No capital loss (0% loss) 	<ul style="list-style-type: none"> Low Medium 	<ul style="list-style-type: none"> Fully guaranteed income Fully predictable return profile 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None
Units in non-complex collective investments undertakings	None	None	<ul style="list-style-type: none"> No capital loss (0% loss) 	None	<ul style="list-style-type: none"> Fully guaranteed income 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None
Units in complex collective investments undertakings (eg leveraged, inverse ETFs, complex UCITS)	Retail*	Basic*	<ul style="list-style-type: none"> No capital loss (0% loss) 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Fully guaranteed income Fully predictable return profile 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None

*At the discretion / as defined of the Manufacturer of each Investment Product.