



Spirit Capital Investments, SIA

Policy on Determining Client Status in the Provision of Investment Services

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1. Terms and Abbreviations

Term	Explanation
Employees	Employees who, in accordance with their job description, are authorized to make Decisions and possess the necessary experience, knowledge, and competence to do so.
Procedure or Policy	An internal legal act of the Company, i.e., a document that regulates a certain activity within the Company or in cooperation with persons outside the Company, such as any policy, procedure, strategy, form, description, assessment, order, or similar document of the Company.
Tied Agent or Agent	A person who promotes or otherwise facilitates the use of Financial Services by the Company's Clients or potential clients, receives and forwards instructions or orders from Clients regarding Financial Services or financial instruments, places financial instruments, or provides investment advice to Clients or potential clients concerning the mentioned financial instruments or services. A tied agent is considered a tied agent within the meaning of the Financial Instruments Market Law. The obligations of the tied agent apply to the Assistant, the Agent's responsible person, and the Agent's manager, unless explicitly stated otherwise or the context of this procedure suggests otherwise.
Company	Spirit Capital Investments, SIA, registration Nr. 40203160700
Management Board	The Company's Management Board and each member of the Management Board.

2. Client Status Determination policy in the provision of investment services

- 2.1. In ensuring compliance with the requirements set out in regulatory enactments, the Company assigns one of three statuses to persons to whom it provides investment services and ancillary investment services: retail client, professional client, or eligible counterparty.
- 2.2. The Company assigns a status to the client by evaluating the information provided by the client regarding their activities, knowledge, and experience in transactions with financial instruments, and applies client protection measures prescribed by regulatory enactments depending on the assigned status.
- 2.3. The Company informs the client of the status assigned to them before providing investment services and/or ancillary investment services.
- 2.4. The Company generally assigns client status for all investment services and/or ancillary investment services provided to the client. In certain cases, if stipulated in the Policy or in an agreement concluded with the client, the Company may assign client status in relation to a specific type of investment service, a particular type of transaction, a specific transaction, or a specific financial instrument.
- 2.5. The client has the right to request a change in the assigned status by submitting a written application to the Company.
- 2.6. The Company has the right to refuse the client's request to change the status. If the Company accepts the client's request, it will change the client's status by entering into a written agreement with the client after evaluating the client's experience, knowledge, and activity profile.
- 2.7. The client is obliged to promptly inform the Company of any facts or changes to previously provided information that may affect the client's compliance with the assigned status or the applicable requirements.
- 2.8. The Policy is approved by the Company's Management Board.
- 2.9. The Company regularly, but no less than once a year, assesses the Policy's compliance with the current and future development of the Company and ensures its update if necessary.
- 2.10. The Policy enters into force upon its approval.

3. Status of Eligible Counterparty

- 3.1. The status of an eligible counterparty is applied to:
 - 3.1.1. investment firms;
 - 3.1.2. credit institutions;
 - 3.1.3. insurance companies;
 - 3.1.4. investment management companies;
 - 3.1.5. pension funds and their management companies;
 - 3.1.6. other financial institutions that are licensed and operate in accordance with financial services regulations of EU member states or foreign regulatory frameworks;
 - 3.1.7. national governments and other state institutions that manage public debt;
 - 3.1.8. central banks;
 - 3.1.9. supranational organizations.
- 3.2. Eligible counterparties are afforded the lowest level of protection. Transactions between the Company and eligible counterparties are regarded as cooperation between equal parties.
- 3.3. In transactions with eligible counterparties, the Company applies its conflict of interest prevention policy and may choose not to apply the requirements set out in Articles 126, 126.1, 126.2, 128, 128.1, 128.2, and 128.3 of the Financial Instruments Market Law.
- 3.4. An eligible counterparty may request a status change in accordance with the procedure outlined in the Policy. The Company does not assign the status of a retail client to a person who qualifies as an eligible counterparty.
- 3.5. Only the status of an eligible counterparty is applied to the Company's cooperation partners.

4. Status of a Professional Client

- 4.1. The status of a professional client is applied to:

- 4.1.1. Institutions licensed and supervised for financial market operations in the Republic of Latvia or another country, which are:
 - 4.1.1.1. credit institutions;
 - 4.1.1.2. investment brokerage firms;
 - 4.1.1.3. other licensed or regulated financial institutions;
 - 4.1.1.4. investment funds and investment management companies;
 - 4.1.1.5. insurance companies;
 - 4.1.1.6. pension funds;
 - 4.1.1.7. commodity dealers;
 - 4.1.1.8. companies that operate in the options, futures, or derivatives markets, or in the markets of the underlying assets of derivatives, on their own account with the sole purpose of hedging financial risks in the derivatives market, or that act on behalf of other market participants or provide pricing for them, and are guaranteed by clearing system participants in that market, provided that the clearing system participants assume liability for fulfilling such companies' contractual obligations;
 - 4.1.1.9. other commercial companies whose primary business is investing in financial instruments and that carry out such investments on a large scale.
- 4.1.2. Commercial companies that meet 2 (two) of the following 3 (three) criteria:
 - 4.1.2.1. own capital of no less than EUR 2 million;
 - 4.1.2.2. net turnover of no less than EUR 40 million;
 - 4.1.2.3. balance sheet total of no less than EUR 20 million.
- 4.1.3. States and municipalities, state institutions managing public debt, central banks of countries, the World Bank, the International Monetary Fund, the European Central Bank, and other international financial institutions.
- 4.1.4. Other commercial companies whose primary activity is investing in financial instruments and that carry out such investments on a large scale.
- 4.1.5. Persons who have been recognized as professional clients in another country under a procedure equivalent to that established by the Company.
- 4.2. The Company is entitled to recognize any client not listed in point 4 of this Policy as a professional client if the client has submitted a written request to be treated as such—either generally or in relation to a specific investment service, transaction, type of transaction, or product. In this case, the Company evaluates the client's competence, knowledge, and experience based on the guidelines of the Financial and Capital Market Commission (FKTK) dated 14.04.2015, No. 59 "Guidelines on the Application of Certain Provisions of the Financial Instruments Market Law Regulating the Provision of Investment Services," guidelines 3, 4, 5, and 6.
- 4.3. A professional client is provided with a medium level of protection. The Company is entitled to assume that the professional client possesses sufficient knowledge to independently obtain the necessary information and assess the suitability of an investment service.
- 4.4. In transactions with professional clients, the Company applies the conflict of interest prevention policy and other Procedures and Policies regulating the Company's conduct in providing investment and ancillary services. However, the Company does not assess the suitability of such services for clients with professional client status.

5. Status of a Retail Client

- 5.1. The status of a retail client is applied to those clients who do not meet the criteria for professional client or eligible counterparty status.
- 5.2. Retail clients are provided with the highest level of protection in the following ways:
 - 5.2.1. by applying the Company's Procedures and Policies that govern its conduct in providing investment and ancillary services;
 - 5.2.2. by requesting information from the client to assess their knowledge and experience related to investment services;

- 5.2.3. by evaluating the suitability of the investment service and ancillary investment service;
- 5.2.4. by applying a conflict of interest prevention policy;
- 5.2.5. by providing the client with detailed information about the Company as an investment service provider, the offered services, and associated costs;
- 5.2.6. by providing a transaction report in accordance with the legal requirements of the Republic of Latvia.