

### **CLIENT CATEGORISATION**

The rules of the Financial Conduct Authority (the “FCA Rules”) require Oppenheimer Europe Ltd. (“Oppenheimer”) to notify you of your client categorisation. Your client categorisation determines the level of protection you are to be afforded under the FCA Rules. Under the FCA Rules you can be categorised as a retail client, a professional client or an eligible counterparty. Retail clients receive the highest level of protection under the FCA Rules and eligible counterparties the lowest. On the basis of the information available to Oppenheimer, Oppenheimer has categorised you under the FCA Rules as a **PROFESSIONAL CLIENT**.

For your reference, please refer to the following definition of a professional client:

#### **Per se Professional Client**

1. an entity required to be authorised or regulated to operate in the financial markets. The following list includes all authorised entities carrying out the characteristic activities of the entities mentioned, whether authorised in the UK or a third country:
  - a. a credit institution;
  - b. an investment firm;
  - c. any other authorised or regulated financial institution;
  - d. an insurance company;
  - e. a collective investment scheme or the management company of such a scheme;
  - f. a pension fund or the management company of a pension fund;
  - g. a commodity or commodity derivatives dealer;
  - h. a local authority;
  - i. any other institutional investor;
2. in relation to MiFID or equivalent third country business a large undertaking meeting two of the following size requirements on a company basis:
  - a. balance sheet total of EUR 20,000,000;
  - b. net turnover of EUR 40,000,000;
  - c. own funds of EUR 2,000,000;
3. in relation to business that is not MiFID or equivalent third country business a large undertaking meeting any of the following conditions:
  - a. a body corporate (including a limited liability partnership) which has (or any of whose holding companies or subsidiaries has) (or has had at any time during the previous two years) called up share capital or net assets of at least £5 million (or its equivalent in any other currency at the relevant time);
  - b. an undertaking that meets (or any of whose holding companies or subsidiaries meets) two of the following tests:
    - i. a balance sheet total of EUR 12,500,000;
    - ii. a net turnover of EUR 25,000,000;
    - iii. an average number of employees during the year of 250;
  - c. a partnership or unincorporated association which has (or has had at any time during the previous two years) net assets of at least £5 million (or its equivalent in any other currency at the relevant time) and calculated in the case of a limited partnership without deducting loans owing to any of the partners;
  - d. a trustee of a trust (other than an occupational pension scheme, SSAS, personal pension scheme or stakeholder pension scheme) which has (or has had at any time during the

- previous two years) assets of at least £10 million (or its equivalent in any other currency at the relevant time) calculated by aggregating the value of the cash and designated investments forming part of the trust's assets, but before deducting its liabilities;
- e. a trustee of an occupational pension scheme or SSAS, or a trustee or operator of a personal pension scheme or stakeholder pension scheme where the scheme has (or has had at any time during the previous two years):
    - i. at least 50 members; and
    - ii. assets under management of at least £10 million (or its equivalent in any other currency at the relevant time);
  - 4. a national or regional government, including a public body that manages public debt at national or regional level, a central bank, an international or supranational institution (such as the World Bank, the IMF, the ECB, the EIB) or another similar international organisation;
  - 5. another institutional investor whose main activity is to invest in financial instruments (in relation to the firm's MiFID or equivalent third country business) or designated investments (in relation to the firm's other business). This includes entities dedicated to the securitisation of assets or other financing transactions.

#### Opt-up to Elective Professional Client Status

Where you do not meet the criteria for a per se professional client (above), you may request to be categorized as a professional client, where the following applies:

- 1. in the case of a local public authority or municipality or a local government authority pension fund:
  - a. the size of your financial instrument portfolio defined as including cash deposits and financial instruments, exceeds £10,000,000; and
  - b. either:
    - i. you have carried out transactions, in significant size, on the relevant market at an average frequency of ten per quarter over the previous four quarters; or
    - ii. the person authorised to carry out transactions on behalf of the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the provision of services envisaged; or
    - iii. the client is an 'administering authority' of the Local Government Pension Scheme, and is acting in that capacity.
- 2. in all other cases, at least two of the following criteria are satisfied:
  - a. you have carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
  - b. the size of your financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500,000;
  - c. you work or have worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged;

Before accepting a request to be treated as an elective professional client so, Oppenheimer must satisfy various requirements set out in the FCA Rules, including carrying out an assessment of your knowledge and experience of the risks associated with the investment services envisaged

under your engagement with Oppenheimer. You will not be treated as a an elective professional client unless you satisfy all of the relevant criteria and have specifically requested to be treated as such and waive the protections you would otherwise have as a retail client.

#### Opt-up to Elective Eligible Counterparty Status

Where Oppenheimer has initially categorised you as a professional client (see above), you may request to be recategorised as an elective eligible counterparty for business covered by this client category under the FCA Rules. Before accepting you as an elective eligible counterparty, Oppenheimer must satisfy various requirements set out in the FCA Rules, including a requirement to obtain express confirmation from you that you agree to be treated as an eligible counterparty.

#### Client Requests for Re-categorisation

While you are permitted to request re-categorisation to a different client category, it is Oppenheimer's policy not to transact business with retail clients, and consequently, Oppenheimer cannot accept a request from you to be treated as a retail client.

Under the FCA Rules, fewer protections are available when you are treated as a professional client as compared to treatment as a retail client. In particular:

- you will be given fewer information disclosures regarding Oppenheimer, its services and investments, including costs and associated charges, commissions, fees and other charges;
- when Oppenheimer assesses whether a product or service is appropriate for you, Oppenheimer can assume that you have the necessary level of knowledge and experience to understand the risks involved in relation to the product or service offered or demanded;
- when providing you with best execution, Oppenheimer will not be required to prioritise the overall consideration of the transaction, including execution costs and expenses, as being the most important factors in achieving best execution;
- Oppenheimer is not required to inform you of material difficulties relevant to the proper carrying out of an order promptly upon becoming aware of any such difficulty; and
- you will not be entitled to compensation under the Financial Services Compensation Scheme.

Under the FCA Rules, fewer protections are also available when you are treated as an eligible counterparty, as compared to treatment as a professional client. In particular, and in addition to the above:

- Oppenheimer is not required to disclose information on costs and associated charges including fees, commissions, charges and expenses paid or received, nor is Oppenheimer required to disclose information on its payable taxes;
- Oppenheimer is not required to provide you with information about itself or its services;
- Oppenheimer is not required to assess the appropriateness of a product or service provided to you, but Oppenheimer can assume that you have the expertise to choose the most appropriate product or service;
- Oppenheimer is not required to provide you with risk disclosures on the products or services that you select;
- Oppenheimer is not required to provide reports to you on the services it offers, including on the execution of your orders; and

- Oppenheimer is not required to provide you with best execution in executing your orders or apply certain protections to the handling of your orders.

Should you have any questions regarding your client categorisation, or the protections afforded to you under FCA Rules by virtue of such categorisation, please contact your registered representative at Oppenheimer