

Client Categorisation Policy

Retail, professional and eligible counterparty status: what each means, how to change it and what protection you...

ISSUER	LL CAPITAL & PARTNERS LIMITED (trading as North Stone Capital)
REGULATOR	Malta Financial Services Authority (MFSA)
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REGISTERED OFFICE	TAGLIAFERRO BUSINESS CENTRE, LEVEL 6 Gaiety Lane SLIEMA Malta SLM 1551
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Under MiFID II, as transposed in Malta, LL CAPITAL & PARTNERS LIMITED ("we") must place every client in one of three categories — **retail client**, **professional client** or **eligible counterparty** — and tell them which one applies and what it means. The category determines the level of protection you receive. This policy explains the categories, how we assign them and how you can ask to change yours.

1. Default categorisation

Every new client is treated as a **retail client** unless they meet the criteria for another category and we have confirmed the change in writing. Retail clients receive the highest level of protection under the rules.

2. What each category means

Retail client

- Maximum leverage limited by asset class (30:1 on major currency pairs down to 2:1 on cryptocurrencies).
- **Negative balance protection:** you cannot lose more than the funds in your account.
- Margin close-out when the equity on the account falls to 50% of the margin required.
- No incentives (bonuses) to trade and the standardised risk warning on every promotion.
- Key Information Documents, appropriateness assessment before trading, and eligibility to claim under the Investor Compensation Scheme.

Professional client

Professional clients are presumed to have the experience, knowledge and expertise to make their own investment decisions and to assess the risks they take. **Per se professional clients** include authorised financial institutions, large undertakings meeting two of the three size tests in MiFID II (balance sheet EUR 20 million, net turnover EUR 40 million, own funds EUR 2 million), governments and institutional investors. Professional clients may trade with higher leverage, do not receive negative balance protection or the 50% close-out rule as a matter of right, receive fewer disclosures, and may not be eligible for the Investor Compensation Scheme.

Eligible counterparty

Investment firms, credit institutions, insurers, funds and their managers, pension funds and similar entities. We owe eligible counterparties no best-execution or appropriateness duties.

3. Asking to be treated as a professional client

A retail client may ask to be treated as an **elective professional client**. We may agree only if an assessment of your expertise, experience and knowledge gives reasonable assurance that you can make your own investment decisions and understand the risks, and if you meet **at least two** of the following:

1. you have carried out transactions of significant size on the relevant market at an average frequency of **10 per quarter over the previous four quarters**;
2. the size of your financial instrument portfolio, including cash deposits and financial instruments, **exceeds EUR 500,000**;
3. you work or have worked in the financial sector for **at least one year** in a professional position that requires knowledge of the transactions or services envisaged.

The procedure is:

- you tell us in writing that you wish to be treated as a professional client, generally or for a particular service or product;
- we give you a clear written warning of the protections and compensation rights you may lose;
- you confirm in writing, in a separate document, that you are aware of the consequences;
- we assess the evidence you provide and confirm the change in writing before it takes effect.

You must tell us of any change that could affect your categorisation. If we become aware that you no longer meet the conditions, we will re-categorise you as a retail client.

4. Asking for more protection

A professional client or eligible counterparty may ask in writing to be treated as a retail client, generally or for particular services. We will confirm the change in writing.

5. Records and review

We keep records of every categorisation, the evidence relied on and the client's acknowledgements, and review categorisations periodically and whenever we learn of a relevant change. This policy is reviewed at least annually.

6. Contact

Requests and questions may be sent to support@northstonecapital.net.

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