

Client Recategorisation From Retail to Elective Professional – Appropriateness Letter

Date:

Dear

Amana Capital Ltd ('Amana' or the 'Firm') as a regulated firm, is required by its Regulator to assess the appropriateness of the categorization of a client. You ('the client') would not have received any advice from the Firm because Amana an execution only brokerage.

The client may want to seek independent advice from a regulated financial adviser. Amana is required to find out whether you as the client have the relevant expertise, experience and/or knowledge in order to make an informed decision to trade on the Foreign Exchange and CFD products Amana offers and to classify the client as an '**Elective Professional Client**' upon the client's request and the Firm requires the client's request for this and also the client's consent.

The Firm is required to assess and examine the client's experience, the client's whole financial position, and attitude to risk with the following information that Amana seeks in the following pages of this document.

If upon completion of this document, and based on the answers the client answers to Amana's questions and if Amana deems the experience and knowledge from you the client to be appropriate, then the Firm will accept the client's application to be classified as an '**Elective Professional Client**' and you as the client will receive a separate letter/agreement from Amana to confirm that your categorization is accepted so long as you as the client understand the information and the risks. The Firm will provide you the client, with this separate document for the client to review and sign. This document in question that the client will need to read and sign is the '**Title Transfer Collateral Arrangements (TTCA) Consent Form**.'

In accordance with the provisions of the Investment Services and Activities and Regulated Markets Law of 2017 Law ('the Law') as might be updated, we are required to seek a written agreement from you the client with regards to our terms and conditions for TTCA. The relevant terms and conditions are outlined in the document itself the TTCA, and are reflective of best practice in accordance with Regulatory Rules.

- I. Where you, the client transfer full ownership of money to us for the purpose of securing or otherwise covering present or future, actual or contingent or prospective obligations, such money will no longer be regarded as client money under CySEC's laws and regulations

- II. The money transferred therefore, will not be subject to the protection conferred by the CySEC's client money rules. Thus, monies will not be held and protected within a ring fenced trust account nor subject to rules regarding reconciliation, payment of interest and provision of information for example;
- III. As a consequence, your money will not be segregated from the money of the firm in accordance with the client money rules and will be held by the firm in the course of its own business, and;
- IV. You accept that you will rank only as a general creditor of the firm. In the event that you request the money transferred to us under this agreement, back to the source of those funds, or should you elect to close your account with the firm, or the firm terminates this relationship with you, then ownership of that money will revert to you and any monies standing to the credit of your account, after closing any open positions will be returned.
- V. You may request termination of this TTCA at any time, although; we are under no obligation to agree to such termination (which is a commercial decision for us to make) but we will respond to your request in line with the Regulatory rules. As such we will either agree to your request, and will notify you in writing confirming the date of termination of our TTCA agreement and explaining whether we shall hold funds as client monies (in accordance with Regulatory rules) or not (and how these will be returned to you). If we do not agree to termination of TTCA we will confirm this in writing, with an explanation of our reason(s) behind this. We may seek to agree new terms and conditions with you if we agree to accede to your request. In addition, if we do not agree to the termination of the TTCA then you are within your rights to exercise IV above and close your account with us.

You will also have received along with this document the following named documents which you must read and sign and provide to us along with this document:

- 1. Request Letter: Categorization as an Elective Professional Client**
- 2. Schedule of Protections Lost: the differences between the treatment of Retail and Elective Professional Clients.**
- 3. Notice Letter: Categorization as an Elective Professional Client.**
- 4. Title Transfer Collateral Agreement- TTCA Consent Form**

In the event that Amana has a significant concern over the appropriateness of the products for you the client, and the **'Elective Professional Client'** categorization, the Firm may contact you for further information and suggest that you should consider seeking financial advice on leveraged CFD products from a professional adviser. Whether or not you do so is your decision and Amana may not accept your request if it expresses concerns about appropriateness and knowledge even if you confirm that you understand that it is for you to ensure that you do understand the risks and potential rewards, risks and other features of the decision you are making.

This is to confirm that I 'the client' understand the above information and that I 'the client' have read the details that follow in this document.

Printed name of the client: _____

Date of signature:

Signature of the client:

Appropriateness Questions to be Recategorised as an Elective Professional Client

- 1- Do you work or have you worked in the financial sector for at least one year in a professional position, which requires financial knowledge relevant to trading complex financial products such as highly leveraged products like Foreign Exchange and CFDs?

YES NO

*If 'Yes', please provide a letter from the relevant employer, stating the dates of your employment, job title and your job role. **THIS INFORMATION WILL NEED TO BE SIGNED AND ON COMPANY LETTERHEAD.***

- 2- If you answered NO to the above question, have you had any other education or training that would provide you with an understanding of complex financial products like CFD trading?

YES NO

If 'Yes', please provide evidence of courses attended and copies of relevant certificates. Please note that we may ask for additional supporting information.

- 3- Have you executed at least 10 trades on average per quarter over the past 12 months on Foreign Exchange and CFDs? Have you been trading for more than 12 months?

YES NO

Please provide details of this and a copy of a trading activity statement(s) of a LIVE trading account that you hold for the last 12 months. It must show your full name, trading account number, and trading activity along with the dates of these transactions you have executed. *You could download the statement from MT4/MT5 directly or you can request it from the Client Services Desk of the brokerage you are trading with.

- 4- In your experience and knowledge of trading in CFDs, would the value of a product fluctuate over time? If you sell it before the maturity date, is it possible that you may receive back less than what you invested?

YES NO

- 5- What is the value of your financial portfolio in financial markets, i.e. cash deposits?

Less than EUR 500,000 Greater than EUR 500,000

6- What is the source of your cash deposits and wealth overall?

Please provide details here regarding this:

7- You open a long position on EURUSD for 20 lots – how much margin you require? How much is this in equivalent cash position?

8- You open a long position on Crude Oil for 20 lots – how much margin you require? How much is this in equivalent cash position?

9- If you are holding a long position on any instrument and your margin is 2% and the market moves against you by 2% what will happen to your positions?

10- Do you wish to be treated and classified as an '*Elective Professional Client*' with Amana Capital Ltd?

YES

NO

Please note that by ticking 'Yes' to question 10 above, you may lose client protections and investor compensation rights. You will need to state in writing and in a separate document that we will send to you, which you will need to sign, that you are aware of the consequences of losing such protections of no longer being classified as a 'Retail Client' and instead being that of an 'Elective Professional Client'.

DECLARATION:

Do you accept the '***Elective Professional Client***' categorisation and do you understand the risks of being classified and categorised as an '***Elective Professional Client***'?

YES NO

I certify that the answers I have given are true and that I have NOT withheld information that would be likely to be relevant to Amana's assessment of whether this categorization is appropriate.

YES **Printed name of the client:****Signature of the client:****Date of signature:**