

CLIENT NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_

**Re: [CLIENT NAME: \_\_\_\_\_] - Categorisation as an Elective Professional Client**

TwentyFour Asset Management LLP ("TwentyFour") can only undertake regulated activity for Professional Clients, as defined by the Financial Conduct Authority ("FCA"). As such, TwentyFour has undertaken an assessment of the expertise, experience and knowledge you have with regard to the nature of the services we will provide to [CLIENT NAME: \_\_\_\_\_] and investment types envisaged and we have reasonable assurance that you, as the person authorised to carry out transactions on behalf of [CLIENT NAME: \_\_\_\_\_] are capable of making your own investment decisions and understanding the risks involved.

We believe that [CLIENT NAME: \_\_\_\_\_] meets two of the following three criteria:

- (1) *You have carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous 4 quarters.*
- (2) *The size of your financial instrument portfolio, defined as including cash deposits AND financial instruments, exceeds €500,000.*
- (3) *You work or have worked in the financial sector for at least one year in a professional position, which requires knowledge of the transaction or services envisaged.*

If this is not the case, or if this changes after execution of the attached letter, please let us know as soon as possible.

Under FCA rules we are required to set out details of the exclusive retail client (as defined by the FCA: "Retail Client") protections that you will lose by being categorised as an elective professional client (as defined by the FCA: "Elective Professional Client"). We must also advise you that our FCA scope of permission does not permit us to deal with Retail Clients.

Please take the appropriate time and care to review the schedule and familiarise yourself with the Retail Client protections you will lose as a result of becoming an Elective Professional Client. If you are in agreement with this classification please complete the attached letter. Upon receipt of the executed letter we will be able to classify you as an Elective Professional Client. We will then transact with you as an Elective Professional Client subject to our terms and conditions or any other agreement between us.

Yours sincerely,

John Magrath  
**TwentyFour Asset Management LLP**

## **Schedule of Protections Lost: the differences between the treatment of Retail Clients and Elective Professional Clients**

For the avoidance of doubt the points raised below do not constitute an offer or undertaking by TwentyFour to provide any services to Retail Clients, or to categorise any client as a Retail Client, whether in the manner set out below or otherwise. Any references to Professional Client includes: per se Professional Clients and Elective Professional Clients.

As an Elective Professional Client a “regulated firm” will engage with you subject to the minimum obligations set out below:

### **Client Agreements**

A regulated firm is not required to enter into a written basic agreement or to provide the Elective Professional Client with details of the terms of the agreement before the client is bound by the agreement.

### **Exclusions of Liability**

Regulated firms are not permitted to exclude or restrict any duty or liability when communicating with a Retail Client unless it is honest, fair and professional for that regulated firm to do so. Communications with Professional Clients are not subject to this rule, although regulated firms should at “all times” act honestly, fairly and professionally in accordance with the best interests of a Professional Client.

### **Information about a regulated firm, its services, and its remuneration**

Regulated firms are not expressly required to provide Elective Professional Clients with as much information about it or its services (for example but not limited to: its authorisation, conflicts of interest, and methods of communication with it).

Regulated firms are not required to provide Elective Professional Clients with as detailed information on their costs and associated charges.

### **Communicating with Retail Clients**

The requirements relating to distance communications will not apply if, as an Elective Professional Client, you fail to meet the definition of “consumer”. Financial Promotions directed to Elective Professional Clients are not subject to the specified internal approval and record keeping procedures as is the case with Retail Clients.

### **Business outside the scope of the Markets in Financial Instruments Regulation and Markets in Financial Instruments Directive (‘MiFID II’)**

Professional Clients are not granted the additional protections under the FCA rules to Retail Clients for business conducted outside the scope of MiFID II.

### **Complaints**

A Professional Client has no right of access to the Financial Ombudsman Service although certain rights are still available under the Financial Services Compensation Scheme.

### **Further Important Information: Changing your categorisation**

Please note that once you are categorised as an Elective Professional Client, the FCA Rules state that it will be your responsibility to keep us informed of any changes that could affect your categorisation,

and we require you to do so by writing to us within seven (7) business days of any actual or proposed changes occurring. In addition we remind you that you may request to re-classify as a Retail Client; however, TwentyFour does not have a permission to deal with Retail Clients and will be forced to cease transacting with you as it would be in breach of the FCA rules.

**CATEGORISATION AS AN ELECTIVE PROFESSIONAL CLIENT**

From:

To: TwentyFour Asset Management LLP

With reference to your letter dated \_\_\_\_\_ which sets out the consequences for opting up to an Elective Professional Client, I confirm that I understand the investor protections and compensation rights that will be lost as a result of re-classification as an Elective Professional Client.

I undertake to inform you of any changes that could affect categorisation of [CLIENT NAME] as an Elective Professional Client, and the responsibility to ask you for a higher level of protection where a situation arises that would present an inability to properly assess or manage the risks involved.

Signed: \_\_\_\_\_

Name (Printed): \_\_\_\_\_

For and on behalf of: \_\_\_\_\_

Date: \_\_\_\_\_