

**APPROPRIATENESS AND
SUITABILITY
ASSESSMENT POLICY**

November 2025

1. Scope And General Principles Of Appropriateness And Suitability Assessments

In2Markets Ltd. (the “Company”) is a Cyprus Investment Firm (CIF), incorporated in the Republic of Cyprus under registration number HE 333743, with its registered office at Demokratias 12, Shop 2, 8028, Paphos, Cyprus. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) under license number 263/14, and operates in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017) and Directive 2014/65/EU (MiFID II).

The Company has established and applies two core assessment procedures designed to ensure regulatory compliance and client protection:

- Appropriateness Assessment, which evaluates whether a Client has the necessary knowledge and experience to understand the risks associated with complex financial instruments, including but not limited to Contracts for Difference (CFDs), particularly when such instruments are offered on an execution-only basis;
- Suitability Assessment, performed in connection with the provision of discretionary portfolio management services, to determine whether a specific investment strategy or product is suitable for the Client’s profile, based on their investment objectives, financial situation, knowledge, experience, and risk tolerance.

These assessments are conducted based on the Client’s classification as Retail Client, Professional Client, or Eligible Counterparty, in accordance with the Company’s Client Categorisation Policy.

In order to carry out the above assessments effectively, the Company is required to obtain all relevant and accurate information from the Client. This includes, but is not limited to, details relating to the Client’s financial background, investment experience, and objectives. The

Company will rely on the information provided by the Client, unless it is aware or should reasonably be aware – that the information is outdated, inaccurate, or incomplete.

Where a Client fails to provide sufficient, complete, or up-to-date information, the Company shall inform the Client that it is unable to assess whether the investment service or financial instrument is appropriate and/or suitable. In such cases, the Company may decline to provide the requested product or service.

The scope and depth of the assessment performed will vary depending on the Client’s categorisation and the complexity and nature of the service or instrument requested.

2. Appropriateness Assessment

2.1 General Overview

The Appropriateness Assessment is a regulatory process applied by the Company when a Retail Client expresses an interest in trading complex financial instruments, such as Contracts for Difference (CFDs), without receiving investment advice – i.e., under execution-only arrangements.

The aim of this assessment is to determine whether the Client has sufficient knowledge and experience to understand the nature, functioning, and risks associated with such instruments. It is designed to help the Company evaluate whether the product or service is appropriate for the Client, in line with its regulatory obligations.

The assessment is generally not required for Clients classified as Professional Clients by default or Eligible Counterparties (as defined in the Client Categorisation Policy), since such Clients are presumed to possess the necessary expertise to make informed investment decisions. However, the Company reserves the right to apply the assessment at its discretion based on risk considerations.

Clients who have been reclassified as Professional Clients upon request may still be subject to the appropriateness assessment depending on the nature of the product or service involved.

In the case of a legal entity, the Company will assess the knowledge and experience of the authorised representative responsible for investment decisions on behalf of the entity.

The Company will not in any way induce a Client to request a change in categorisation (e.g., from Retail to Professional) for the sole purpose of avoiding the appropriateness assessment.

2.2 Assessment Criteria

The Company evaluates the Client's knowledge and experience based on the following non-exhaustive factors:

- Types of financial instruments and services the Client is familiar with;
- Frequency, volume, and nature of the Client's past transactions in regulated financial markets;
- Client's educational background and current or previous professional experience relevant to financial markets.

These factors are considered in proportion to the complexity of the instrument or service being offered.

2.3 Scoring and Client Classification

The Appropriateness Assessment is conducted through a structured questionnaire based on the Client's responses. The outcome of the assessment determines whether the Client may access complex financial instruments, such as Contracts for Difference (CFDs), or should be restricted to non-complex products, depending on their demonstrated knowledge and experience.

2.4 Inadequate Assessment Results and Risk Warning

If the outcome of the appropriateness assessment indicates that the complex financial instrument is not appropriate for the Client, the Company will not permit the Client to proceed with trading such instruments. In such cases, the Company will issue a clear and specific risk warning and deny access to the relevant products in accordance with its internal policies and regulatory obligations.

2.5 Ongoing Obligations and Information Updates

Clients must notify the Company of any material change that may affect their knowledge, experience, or investment profile. The Appropriateness Assessment must be updated: at least once per year or whenever a significant change occurs, such as a shift in profession, trading experience, or investment focus. Failure to update the information may result in restricted access to certain financial instruments or services.

3. Suitability Assessment

3.1 General Overview

The Suitability Assessment is conducted by the Company when providing discretionary portfolio management services, in accordance with Article 25(2) of MiFID II and the Investment Services and Activities and Regulated Markets Law of 2017. Its purpose is to ensure that any investment strategy or individual financial instrument implemented within the portfolio management service is suitable for the Client, based on a thorough evaluation of their personal and financial circumstances. The Company does not conduct a Suitability Assessment when providing services on an execution-only basis, such as when Clients independently trade Contracts for Difference (CFDs). In such cases, an Appropriateness Assessment is carried out to evaluate the Client's knowledge and experience.

3.2 Information Required

To carry out the Suitability Assessment, the Company collects the following information from the Client through a structured Suitability Questionnaire:

- Investment Objectives (e.g., capital preservation, growth, income);
- Risk Tolerance and Risk Appetite;
- Financial Situation, including regular income, total assets, liabilities, and investment capacity;
- Investment Horizon and Liquidity Needs;
- Knowledge and Experience in relation to relevant financial instruments or services.

The information must be accurate, complete, and regularly updated to ensure that the recommendations and portfolio allocations remain aligned with the Client's profile.

3.3 Assessment Outcome and Investment Policy Statement

Based on the information obtained, the Company will:

- Evaluate the Client's investment profile;
- Define a suitable asset allocation strategy;
- Identify appropriate financial instruments; and
- Issue a tailored Investment Policy Statement summarizing the suitability results and investment parameters.

The Investment Policy Statement becomes an integral part of the Asset Management Agreement (AMA) and is subject to periodic review.

3.4 Refusal to Provide Recommendations or Services

If a Client fails to provide sufficient information, the Company will inform the Client that it cannot assess suitability and may refrain from providing portfolio

management services. The Company may also suspend or terminate the relationship if the lack of information poses a material risk of non-compliance.

3.5 Periodic Review and Updates

The Company will review and, if necessary, update the suitability profile: at least annually or whenever a material change in the Client's financial situation, objectives, or risk profile is identified.

Clients are responsible for promptly notifying the Company of any such changes. Failure to do so may affect the continued suitability of the portfolio strategy and result in service limitations.

4. Record-Keeping Obligations And Client Data Protection

The Company maintains detailed and accurate records of all Appropriateness and Suitability Assessments carried out for its Clients. These records include the completed questionnaires submitted by the Client, any supporting documentation, internal evaluations and scoring results where applicable, as well as any risk warnings issued and declarations signed. In cases where a Suitability Assessment is performed, the corresponding Investment Policy Statement, together with any related correspondence or communications, is also retained as part of the Client's file.

All documentation is securely stored and retained for a minimum period of five (5) years, or for a longer duration if required by the competent authorities, in accordance with Article 16(6) of MiFID II and the relevant obligations imposed by the Cyprus Securities and Exchange Commission (CySEC). The Company ensures that these records are readily accessible and are available for review by regulators upon request.

As part of its internal control framework, the Company conducts regular reviews of its assessment procedures and documentation. This includes periodic audits of client files, verification of data accuracy, and evaluation

of whether updates to Client profiles have been performed following any material change in the Client's financial position, investment objectives, or risk tolerance. Where weaknesses or deficiencies are identified, the Company takes prompt corrective action and ensures proper documentation of the remediation process.

The Company is fully committed to the protection of Client data and ensures full compliance with the General Data Protection Regulation (EU) 2016/679 (GDPR). All personal information collected in the course of performing the Appropriateness and Suitability Assessments is processed lawfully, fairly, and in a transparent manner. Such data is securely stored and is accessible only to authorised personnel. The Company does not share personal Client data with third parties unless legally obliged to do so or where necessary to fulfil regulatory requirements. Clients are informed of their rights under GDPR, including the right to access, rectify, or request the deletion of their personal data, subject to any applicable legal limitations or record-keeping obligations.

5. Client Communication And Contact Details

Clients may submit any questions, clarifications, or requests relating to this Appropriateness and Suitability Assessment Policy through the official contact channels specified in the Company's Complaints Handling Policy.

The Company will review and respond to Client communications in a professional, timely, and transparent manner, in accordance with its regulatory obligations and internal procedures.

IN2MARKETS LTD

Incorporated in the Republic of Cyprus (Registration no. HE 333743)

Authorised and regulated by the Cyprus Securities and Exchange Commission

Licence no. 263/14

Address: Demokratias 12, Shop 2, 8028, Paphos, Cyprus

Telephone: +357 26 221 007 | Fax: +357 26 221 008

<https://in2markets.com> | info@in2markets.com

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