



# Investor Compensation Fund

Subject to the provisions of the relevant section of the Investment Services and Activities and Regulated Markets Law No. 87(I)/2017 (hereinafter - the "Law") with any possible amendments thereto and Directive DI87-07 of the Cyprus Securities and Exchange Commission (hereinafter- "Commission") for the Operation of the Investor Compensation Fund (hereinafter- "ICF Directive"), the Investor Compensation Fund (hereinafter - the "Fund") compensates the covered clients for claims arising from the covered services provided by EXT LTD (hereinafter called the "Company"), so long as failure by the Company to fulfill its obligations has been ascertained, in accordance with the terms and procedure defined in the Law and ICF Directive.

Company's failure to fulfill its obligations consists of its failure:

- either to repay to its covered clients funds owed to them or belonging to them and held by the Company on their behalf in the framework of the provision by the Company to the said clients of covered services, and which the latter requested the Company to return, in exercise of their relevant right;
- or to return to the covered clients financial instruments belonging to them and which the Company holds, manages or administers on their behalf.

The fund will also initiate the compensation payment procedure if:

- the Commission issued its decision determining that the Company is unable to meet its obligations arising from investor claims and has no early prospects of being able to do so;
- a Court of the Republic has made a ruling which has the effect of suspending investors' ability to make claims against the Company.

The maximum amount of cover is either 90% of the cumulative claims of the covered investor, or the amount of €20.000, whichever is lower. In case of a joint investment business:

- In the calculation of the covered amount noted above, the share that corresponds to each covered investor is taken into account;
- The claims are distributed equally among the covered investors, unless specific provisions exist and subject to the exceptions of point c below, the maximum coverage is provided to each Investor;
- The claims relating to joint investment business, to which two or more persons are entitled as members



of a business partnership, association or grouping of a similar nature which has no legal personality, may, for the purpose of calculating the limits of compensation, be aggregated and treated as if arising from an investment made by a single investor.

The Fund does not compensate the following investor categories:

1. institutional and professional investors such as:

- investment firms;
- legal entities belonging to the same group of companies with the Company;
- banks;
- cooperative credit institutions;
- insurance companies;
- collective investment undertakings in transferable securities and their management companies;
- social insurance institutions and funds;
- investors characterized by the Company as professionals, upon their request;

2. supranational institutions, government and central administrative authorities;

3. provincial, regional, local and municipal authorities;

4. enterprises that have close links with the Company as the term "close links" defined in the Article 2(1) of the Law;

5. Company's direct/indirect shareholders with participation of capital at least 5%, managerial and administrative staff and their up to second-degree relatives and spouses;

6. investors having in enterprises connected with the company (group of companies) direct/indirect shareholders with participation of capital at least 5%, managerial and administrative positions, and their up to second-degree relatives and spouses;

7. investors-clients responsible for facts pertaining to Company that have caused its financial difficulties or have contributed to the worsening of its financial situation or which have profited from these facts;



8. other firms in the same group;

9. investors in the form of a company, which due to its size, is not allowed to draw a summary balance sheet in accordance with the Companies Law or a corresponding law of a Member State.

Upon issuance of a decision either by the court or by the Cyprus Securities and Exchange Commission on the commencement of the compensation payment process, the Fund publishes in at least two newspapers of national coverage, an invitation to the covered clients to make their claims arising from covered services, designating the procedure for submission, deadline and content of application form.

Upon completion of its procedures, the Fund shall announce its decision, listing the covered clients and the entitled amounts of compensation to be paid. In case of disagreement with the Fund's decision, the client may submit an objection in writing at [info@cysec.gov.cy](mailto:info@cysec.gov.cy) (title "Objections to the decision of the ICF") within one month from the date on which decision was notified.

The payment of the compensation by the Fund shall be deposited to a bank account of the covered client-claimant as specified by him in the claim application form.