

## **Investor Compensation Fund**

Triumph Int. Cyprus Ltd (hereinafter called the “Company”) is a member of the Investor Compensation Fund (the “Fund”).

The objective of the Fund is to secure the claims of the covered clients against the members of the Fund by the payment of compensation for their claims arising from the covered services provided by its members, so long as failure by the member to fulfill its obligations has been ascertained.

Failure by the Company to fulfil its obligations can lead to either:

(a) its inability to return to its covered clients funds owed to them or funds which belong to them but are held by the Company, directly or indirectly, in the framework of the provision of covered services, or

(b) its inability to return to its covered clients financial instruments which belong to them and which the Company holds or controls in its accounts on behalf of the clients.

Any compensation provided to clients by the Investor Compensation Fund shall not exceed EURO20.000. This applies to clients’ aggregate claims against the Company.

### **1. Covered Services**

Covered Services are the investment and ancillary services listed on the Company’s licence (293/16) issued by the Cyprus Securities and Exchange Commission.

#### **Investment Services:**

Reception and transmission of orders in relation to one or more financial instruments

Execution of Orders on behalf of Clients

Investment Advice

#### **Ancillary Services:**

Safekeeping and administration of financial instruments, including custodianship and related services.

Granting credits or loans or more financial instruments, where the firm granting the credit or loan is involved in the transaction.

Foreign exchange services where these are connected to the provision of investment services.

#### **In the following financial instruments:**

Transferable securities.

Money-market instruments.

Units in collective investment undertakings.

Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.

Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event).

Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or/and an MTF.

Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in paragraph 6 of part III of the Law and not being for commercial purpose, which have the characteristics of other derivative financial instrument, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls.

Derivative instruments for the transfer of credit risk.

Financial contracts for differences.

Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

## 2. Covered Clients

Covered clients are all the clients of the Company that are NOT included in the following categories of investors:

1. Institutional and professional investors such as:
  - i. Investment Firms (IFs)
  - ii. Legal entities associated with the Company and, in general, belonging to the same group of companies as the Company
  - iii. Banks
  - iv. Cooperative credit institutions
  - v. Insurance companies

- vi. Collective investment organisations in transferable securities and their management companies
  - vii. Social insurance institutions and funds
  - viii. Investors characterized by the Company as professionals
2. States and supranational organizations.
  3. Central, federal, confederate, regional and local administrative authorities.
  4. Enterprises associated with the Company.
  5. Managerial and administrative staff of the Company
  6. Shareholders of the Company, whose participation directly or indirectly in the capital of the Company amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the Company, as well as persons responsible for the carrying out of the financial audit of the Company, such as its qualified auditors.
  7. Investors having enterprises connected with the Company and in general, of the group of companies to which the Company belongs, positions or duties corresponding to the ones listed in paragraphs 5 and 6 above.
  8. Second degree relatives and spouses of the persons listed in paragraphs 5, 6 and 7, as well as third parties acting for the account of these persons.
  9. Investors whose claim arises out of transactions involving individuals who have been convicted of a criminal offence for these transactions, pursuant to the Concealment, Investigation and Confiscation of Proceeds from Criminal Activities Act 1996 as amended.
  10. Investors-clients of the Company responsible for facts pertaining to the Company which have caused its financial difficulties or have contributed to the worsening of its financial situation or which have profited from these facts.
  11. 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 of the European Union.

### **3. Compensation Payment Process**

The ICF compensates the covered Clients for claims arising from the covered services provided by the Company, when failure by the Company to fulfil its obligations has been ascertained.

The following constitutes failure by the Company to fulfil its obligations:

- (a) Either to return Client fund to its covered Clients which are held by the Company indirectly in the framework of the provision by the Company to the said Clients of covered services, in which the latter requested the Company to return, in exercise of their relevant right; or

(b) To return to the covered Clients financial instruments which belong to them and which the Company manages.

The ICF initiates the compensation payment process in one of the following situations:

(a) The Cyprus Securities and Exchange Commission (CySEC) has determined by resolution that the Company is unable to meet such of its duties as arise from its Clients' claims in connection with the investment services it has provided, as long as such inability is directly related to its financial circumstances with respect to which no realistic prospect of improvement in the near future seems foreseeable, and has issued its decision on the commencement of the compensation payment procedure by the ICF as well as has published the said decision in the Official Gazette of the Republic of Cyprus as well as on its website on the Internet.

CySEC can issue such decision when at least one of the following preconditions is fulfilled:

The Company submits to the ICF or to CySEC a written statement declaring its failure to fulfil its obligations towards its Clients; or

The Company files an application for liquidation in accordance with the provisions of Part V of the Companies Law of Cyprus; or

CySEC has revoked or suspended the Company's authorization to provide investment services and ascertains that the Company is not expected to be in a position to fulfil its obligations toward its Clients in the near future, for reasons which do not concern a temporary lack of liquidity which can be dealt with immediately.

(b) A judicial authority has, on reasonable grounds directly related to the financial circumstances of the Company, issued a ruling which has the effect of suspending the investors' ability to lodge claims against it.

Upon issuance of a decision to initiate the compensation payment process by a Court or by CySEC, the ICF publishes, in at least three (3) newspapers of national coverage, an invitation to the covered Clients to make their claims against the Company. The invitation outlines the procedure for submission of the relevant compensation applications, including the deadline for submission and the content of such applications.

The compensation applications of covered Clients with which they make their claims against the Company are submitted to the ICF in writing and must include:

- (a) The name of the claimant-Client;
- (b) The address, telephone and fax numbers as well as any email address of the claimant-Client;
- (c) The Client code that the claimant-Client had with the Company;
- (d) The particulars of the covered services agreement between the ICF and the claimant-Client;
- (e) The type and amount of the alleged claims of the claimant-Client;

(f) The exposition of the particulars from which the alleged claims of the claimant-Client and their amount are delivered;

(g) Any other information the ICF might or will request.

Upon submission of the compensation applications, the Administrative Committee of the ICF has control especially if:

(a) The claimant-Client falls within the category of covered Clients;

(b) The application was timely submitted;

(c) The claimant-Client is not convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law of 2007, as amended or replaced;

(d) The conditions for the valid submission of compensation applications are fulfilled

The Administrative Committee rejects the compensation application in case the claimant-Client does not fulfil the conditions referred to above, or if at the Administrative Committee's discretion, at least one of the following reasons exists:

(a) The claimant-Client used fraudulent means in order to secure the payment of compensation by the ICF, especially if it knowingly submitted false evidence;

(b) The damage suffered by the claimant substantially derived from concurrent negligence or offence on its behalf in relation to the damage it suffered and to its underlying cause.

Upon completion of the valuation, the ICF:

(a) Issues minutes listing the Clients of the Company which are compensation beneficiaries along with the amount of money each one of them is entitled to receive, and, communicates it to CySEC and the Company within five (5) working days from its issue; and

(b) Communicates to each affected Client its finding no later than fifteen (15) days from the issue of the aforementioned minutes determining the total compensation amount this Client is entitled to receive.

#### **4. Amount of Compensation**

The amount of compensation payable to each covered Client is calculated in accordance with the legal and contractual terms governing the relation of the covered Client with the Company, subject to the rules of setoff applied for the calculation of the claims between the covered Client and the Company.

The calculation of the payable compensation derives from the sum of total established claims of the covered Client against the Company, arising from all covered services provided by the Company and regardless of the number of accounts of which the customer is a beneficiary, the currency and place of provision of these services.

The total payable compensation to each covered Client of the Company may not exceed the amount of twenty thousand Euros (EUR 20,000), irrespective of the number of accounts held, currency and place of offering the investment service.

In the case whereby beneficiaries of a joint account of the Company are in their majority covered Clients:

(a) the maximum amount payable to all co-beneficiaries of the account comes up to the amount of twenty thousand Euros (EUR 20,000); and

(b) the compensation is fixed on the whole for all co-beneficiaries of the joint account and is divided amongst them, in the way determined in the agreement between the co-beneficiaries and the Company; otherwise, in the absence of such agreement, it is divided equally amongst them.