



INVESTOR COMPENSATION FUND

TRILT Ltd, is registered under the laws of the Republic of Cyprus with registration number HE326137 and is authorized by CySec to act as a Cypriot Investment Firm with license number 254/14 ("TRILT" or the "Company").

The Investor Compensation Fund for IF Clients ("ICF") is the Fund of its members, under **Law 87(I)/2017**, which implemented 'MiFID II' in Cyprus law and which provides for the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and other Related Matters ("the Law") as an investor compensation fund for CIF clients other than credit institutions and its powers and functions are regulated by the provisions of the Law and of the Directive 144-2007-15 of the Cyprus Securities and Exchange Commission ("CySEC") for the Continuance of the Operation and the Operation of the IF Investor Compensation Fund ("the Directive").

Company is a member of the Investor Compensation Fund (hereinafter called the "Fund"). The Fund was put in place to secure any claims of covered clients against members of the Fund and to compensate covered clients for any claims arising from the failure by a member of the Fund to fulfill its obligations irrespective of whether that obligation arises from legislation, the Terms and Conditions accepted by the Client or from a breach occurring from a member of the Fund.

The objective of the Fund is to secure any claims of the covered Clients, against members of the Fund. The main essence of the Fund is to compensate covered clients for any claims arising from the failure of a member of the Fund to fulfill its obligations towards its clients.

Under the principles comprising the Funds, a breach by a member of the fund means the following:

1. Failure by a Member of the Fund to return funds owed to a covered client, and failure to return funds which belong to the Client but are held by a member of the Fund, directly or indirectly. Funds include those a Member holds after providing a covered service to the Client, for which the Client has such right and has made a request that these funds are returned; or
2. Failure by a Member of the Fund to return Financial Instruments held, managed or kept in the account of the Member, which belong to a covered client. Such Funds include those Financial Instruments for which the Member has the administrative management.

The Client acknowledges their risk of losing assets held by third parties, especially in case of the third parties' insolvency and in those cases where the third parties are not themselves under any Investor Compensation Scheme, or any other insurance cover.

Services Covered

The Services covered under the Fund are those included in on the Company's license which is the following:

Investment Services

Reception and transmission of orders in relation to one or more financial instruments
Execution of Orders on Behalf of Clients

Ancillary Services

Safekeeping and administration of financial instruments, including custodianship and related services
Granting credits or loans to one 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:



Clients Covered

All non-professional investor-client of an ICF member who is covered by the ICF for claims against such member, arising out of the covered services provided by the member, may apply for compensation. The applicant may be natural or legal persons, or a union of persons or a group of assets devoid of legal personality. Applicants need not be Cypriot citizens. Foreigners residing in Cyprus, as well as Cypriots or foreigners residing abroad, may also apply.

Non-Covered Clients

The Fund does not covered the following investor categories:

1. The following categories of institutional and professional investors
 - (a) Investment Firms
 - (b) Legal entities associated with TRILT and, in general, belonging to the same group of companies
 - (c) Banks
 - (d) Cooperative credit institutions
 - (e) Insurance companies
 - (f) Collective investment organizations in transferable securities and their management companies
 - (g) Social insurance institutions and funds
 - (h) Investors characterized by TRILT as professionals
2. States and supranational organizations
3. Central, federal, confederate, regional and local administrative authorities
4. Enterprises associated with TRILT
5. All staff of TRILT inclusive of Managerial and Administration staff
6. Shareholders of TRILT whose participation directly or indirectly in the capital of the member of the fund amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the member of the Fund, as well as persons responsible for the carrying out of the financial audit of the member of the Fund as provided by the Law, such as qualified auditors
7. Investors having an enterprise connected with TRILT and in general of the group of companies to which TRILT 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. Apart from investors convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law of 1996-2000, investor-clients of TRILT responsible for facts pertaining to TRILT that has caused its financial difficulties or has contributed to the worsening of its financial situation or which have profited from these facts
10. 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.

When can applications be lodged?

In all cases and provided one of the preconditions mentioned in sub-paragraph (1) of Paragraph 3 of the Directive is fulfilled, the claims must arise out of the investment services provided by the ICF members or the ancillary service of paragraph (1) of Part II of the Third Schedule of the Law, including the clients of branches of ICF members established in Member States.

The ICF may also compensate investors to whom investment services or the ancillary service



of paragraph (1) of Part II of the Third Schedule of the Law are provided, either through a branch of an ICF member which, albeit not established within the territory of the Republic, has a place of business therein and has subscribed to the ICF, or through an ICF member which, albeit having no place of business in the Republic, nevertheless provides the said services therein on a cross-border basis.

The ICF does not cover the applicants set out in the Second Schedule of the Directive, as well as applicants who may be covered but who apply to the ICF for compensation, in respect of claims against an ICF member who was a member of the ICF in relation to the covered services, after one year from the loss of membership status has elapsed.

Furthermore, the ICF pays no compensation in respect of claims arising out of transactions involving individuals, convicted of a criminal offence for the said transactions, pursuant to the Prevention and Suppression of the Legalisation of Proceeds from Illegal Activities Law of 2007

Procedure (according to CySec Website)

Within a reasonable timeframe upon CySEC ascertaining either that an ICF member cannot fulfill its obligations arising out of clients' claims or, following a court ruling, issued on grounds of the financial situation of an ICF member, which has the effect of suspending the ability of the clients of the ICF member to lodge claims against the said member for the satisfaction of their claims, then CySEC issues a decision to initiate the compensation payment process by the ICF.

Before reaching such decision, CySEC may invite the member of the ICF to set out its views within a short deadline, which cannot be less than three working days from such invitation.

CySEC may, on certain conditions, extend by up to three months the issue of the decision to initiate the compensation payment process by the ICF.

CySEC publishes the information relating to its decision in the Official Gazette of the Republic and on its website.

Following the decision to initiate the compensation payment process, the ICF publishes, in at least three newspapers of national coverage, an invitation to covered clients to submit their claims against the ICF member in respect of the covered services, designating the procedure for submitting the relevant applications, the deadline for the submission (being not less than five months and not greater than nine months from the publications) and their content, as provided in more detail in Part V of the Directive.

In exceptional cases, followed by an announcement published in at least three newspapers of national coverage, the ICF may extend the deadline for the submission of compensation applications by up to three months.

Compensation applications must include -

- the applicant's name;
- the applicant's address, telephone and fax numbers, and email address, if any;
- the applicant's client code with the ICF member;
- the particulars of the covered services agreement between the ICF member and the applicant;
- the type and amount of the alleged claims; and
- evidence giving rise to the alleged claims and their amount.

The ICF may request additional information through a relevant publication in at least three newspapers of national coverage and the Official Gazette of the Republic.

The ICF designates at least one qualified accountant and at least one advocate, with knowledge on capital market issues, who evaluate the applications submitted to the ICF and



recommend to the ICF's Administrative Committee their acceptance in total or in part or their rejection.

To ascertain the claims of an applicant against an ICF member, as well as any counterclaims of the member, the books kept and the particulars issued by the ICF member as well as the supporting evidence produced by the applicant are taken into consideration.

The amount of the compensation payable to each covered client is calculated in accordance with the legal and contractual terms governing the relationship of the covered client with the ICF member, subject to the set-off rules which apply for the calculation of the claims between the covered client and the ICF member.

The valuation of the financial instruments pertaining to the compensation payable to the covered client is carried out based on their value at the day-

- (a) of the publication of the relevant court ruling; or
- (b) the publication of the relevant decision of the CySEC.

The payable compensation derives from the sum of all established claims of the covered client against the ICF member, arising out of all covered services provided by the member and irrespective of the number of accounts of which the applicant is a beneficiary, the currency and place of provision of these services.

Insofar as the amount of the claim exceeds twenty thousand EUR (€20.000), the applicant receives as compensation the lump sum of twenty thousand EUR (€20.000).

Insofar as a member of the ICF provides services to its clients through a branch situated in a third country, the amount of the maximum compensation payable to the clients of the said branch is equal, per client, to the lump sum paid by any investor compensation scheme in operation in the said third country, however, such amount cannot, exceed the fixed maximum amount of twenty thousand EUR(€20,000) payable by the ICF.

If no investor compensation scheme is in operation in the third country, the maximum amount of payable compensation per client of the branch is equal to an amount corresponding to three thousand four hundred and seventeen EUR (€3.417).

This amount is determined in the currency of the said third country at the beginning of operation of the branch and is readjusted on January 1st of every second calendar year following the year during which it was previously determined, based on the average exchange rate as determined by the Central Bank of Cyprus for the currency pertaining to the said country on December 31st of the immediately preceding year.

Upon completion of the valuation, the ICF issues minutes listing the clients of the ICF member who are entitled to compensation indicating the amount of money each one of them is entitled to receive and communicates such minutes to CySEC and the ICF member within five working days from its issue. Its finding is also communicated to each affected client no later than fifteen days from the issue of the minutes.

The ICF is obliged to pay the compensation to each covered client-applicant within three months from sending to the CySEC the minutes listing the compensation beneficiaries.

How to submit an application

An application to the ICF may be submitted in one of the following two ways:



- (a) By filling in the online application form which can be found on the website of CySEC;
- (b) By submitting a simple letter to the offices of the ICF, accompanied by all supporting evidence.

The letter/application may:

- (a) be sent by post to the following address:

Investor Compensation ICF for IF Clients, 27 Diagorou Str., 1097 Nicosia, Cyprus.

- (b) be delivered by hand to the offices of the ICF, at the following address:

Investor Compensation ICF for IF Clients, 27 Diagorou Str., 1097 Nicosia, Cyprus

Amount of Compensation

The maximum amount of compensation paid to applicants, who will be deemed as eligible for compensation, is twenty thousand EUR. The said coverage applies to the total amount of claims by a applicant against an ICF member, irrespective of the number of accounts, the currency and the place of provision of the service.