

Investor Compensation Fund Policy

I. INTRODUCTION

Capital Com SV Investments Limited (“we”, “CAPITAL.COM”, “the Company”) is a member of the Investor Compensation Fund (the “ICF” or the “Fund”) for Customers of Cyprus Investment Firms (CIFs) and other Investment Firms (IFs) which are not credit institutions within the definition of the Cyprus Securities and Exchange Commission Directive DI87-07-15 for the Operations of the Investor Compensation Fund (the “Directive”).

The Fund constitutes a private legal entity and its administration is exercised by an Administrative Committee, consisting of five members, who hold office for a three-year term.

II. THE OBJECT OF THE FUND

The object of the Fund is to secure claims of covered clients against members of the Fund by paying them compensation for claims arising from covered services provided by its members, so long as the member’s failure to fulfill its obligations to the client has been ascertained, provided that at least one of the conditions of paragraph 18(1) of the Directive is fulfilled.

Failure by the Company to fulfil its obligations as stipulated in part III of the Directive, can lead to either:

- a) Its inability to return 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.

It is a legal obligation of CAPITAL.COM as a CIF to subscribe to the Fund.

Any compensation provided to our client by the Fund will not exceed twenty thousand Euros (€20.000). This limitation applies to the aggregate of claims our client may have against us.

III. DEFINITIONS:

“**Professional Investor**” shall mean the persons specified in the Second Schedule;

“**Investors**” shall mean the natural person or legal entity or the union of persons or group of assets devoid of legal personality who are clients of a Fund member;

“Cyprus **Securities and Exchange Commission**” or the “Commission” or the “CySEC” shall mean the legal person of public governed by the Cyprus Securities and Exchange Commission Law;

“**Covered client**” shall mean the client of a Fund member, who is covered by the Fund for claims against the Fund member, arising from the covered services which are provided by the said Fund member;

“Fund member” shall mean a CIF or IF which participates in the Fund

“Non-professional investor.

IV. COVERED CLIENTS

The Fund covers all the clients of CAPITAL.COM. The covered services of CAPITAL.COM are available to retail clients. The Investor Compensation Fund does not cover Professional Clients but only retail Clients of CIFs. Specifically, the Fund does not compensate investors that fall within the following categories:

1. Institutional and professional investors including:
 - a. Investment Firms;
 - b. Legal entities associated with the Company 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 the Company as professionals based on investors' request in accordance with paragraph II of the Second Appendix of the Law 87(I)/2017.
2. States and International Organizations;
 3. Central, federal, confederate, regional and local administrative authorities;
 4. Enterprises who have close ties 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 as provided by the Law, such as its qualified auditors;
 7. Investors having in 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 subparagraphs 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 criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law of 2018, investors-clients of the Company responsible for facts pertaining to the member of the Fund that have caused its financial difficulties or have 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; and
 11. Other undertakings belonging to the same Group.

In the cases of the abovementioned paragraphs 5,6,7,8 and 11 the ICF suspends the payment of compensation, informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

V. COVERED SERVICES

Covered services are the services attached on the Company's license (319/17) issued by CySEC, at the time of the claim. The following investment services offered by CAPITAL.COM are covered by the Fund's compensation scheme:

- Reception and transmission of orders in relation to one or more financial instrument;
- Execution of orders on behalf of clients.

The covered services of CAPITAL.COM are currently provided for financial contracts for differences ("CFDs") across a range of underlying asset classes, including, but not limited to, equity, commodities and indices. The covered services for CFDs on virtual currencies are not currently subject to the Fund's compensation scheme and in case a relevant claim arises investors should follow the general procedures prescribed by the Applicable Regulations and the laws of Cyprus in general.

VI. COMPENSATION OF COVERED CLIENTS AND PAYMENT PROCEDURES

The Funds initiates the compensation payment procedure when at least one of the following preconditions is fulfilled:

- __The Commission has determined that the Company, which is subscribed to the Fund, is unable, at the time, to meet such of its duties as arise from its investor-clients' claims for reasons that are directly related to its financial circumstances and in respect of which there is no foreseeable prospect of improvement in the near future; or
- __A court of the Republic, on reasonable grounds directly related to the financial circumstances of the Company, which is subscribed to the Funds, issued a ruling which has the effect of

suspending the investors ability to lodge claims against the Company.

Upon 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 against the Company arising from covered services. The procedure for the submission of the relevant applications, the deadline and their content will be designated in the invitation.

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 setoff rules applied for the calculation of the claims between the covered 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 client is a beneficiary, the currency and place of provision of these services.

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

- a. In the calculation of the covered amount noted above, the share that corresponds to each covered investor is taken into account;
- b. 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; and
- c. 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.

Investor Compensation Fund V3.1 20201019