



INVESTOR COMPENSATION FUND

1. Introduction

Alma Europe Ltd (the “Company”) is a member of the Investor Compensation Fund (the “ICF” or the “Fund”) within the definition of **consolidation of Directive DI87-07 of 2019 and Directive DI87-07(A) of 2020** (the “Directive”) of the Cyprus Securities and Exchange Commission (the “CySEC” or the “Commission”) for the Operation of the ICF.

2. Purpose of the Fund

The purpose of the Fund is to secure the claims of covered clients against the Company by the payment of compensation for their claims arising from the failure of the Company to fulfil its obligations, 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 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.

3. Covered services

Covered services are the investment services attached on the Company’s licence (408/22) issued by CySEC, at the time of the claim.

4. Covered clients

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

- a) Institutional and professional investors such as:
 - Investment Firms (IFs);
 - Legal entities associated with the Company and, in general, belonging to the same group of companies as the Company;
 - Banks;
 - Cooperative credit institutions;
 - Insurance companies;
 - Collective investment organisations in transferable securities and their management companies;
 - Social insurance institutions and funds;
 - Investors characterized by the Company as professionals.
- b) States and supranational organizations.



- c) Central, federal, confederate, regional and local administrative authorities.
- d) Enterprises with close links with the Company.
- e) Managerial and administrative staff of the Company.
- f) 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.
- g) Investors having an enterprise 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 (e) and (f) above.
- h) Relatives up to second degree and spouses of the persons listed in paragraphs (e), (f) and (g), as well as third parties acting for the account of these persons.
- i) 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.
- j) Companies that belong to the same Group of companies with the Company.
- k) 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.

5. Initiation of the compensation payment procedure.

5.1 The Fund shall initiate the compensation payment procedure when:

- (a) the Commission has determined that a member appears, for the time being, for reasons directly related to its financial circumstances, to be unable to meet its obligations arising out of investors' claims and has no early prospect of being able to do so.
- (b) a Court of the Republic, has made a ruling, for reasons directly related to a member financial circumstances, which has the effect of suspending investors' ability to make claims against it.

5.2 The Commission shall issue its decision for the initiation of the compensation payment procedure by the Fund within a reasonable time and publish the relevant information on its website.

6. Covered claims.

The Fund covers claims arising due to a member's failure:



- (a) to repay the funds owed to covered clients or belonging to them and held on their behalf in connection with investment operations; or
- (b) to return to covered clients any financial instruments belonging to them and held, managed or administered on their behalf in connection with investment operations; in accordance with the legal and contractual conditions applicable.

The amount of the claim of a covered client shall be calculated based on legal and contractual conditions, in particular those relating to offsetting and counterclaims, that are applicable to the assessment on the date of the initiation of the compensation payment procedure of Paragraph 5.2, of the amount of the funds or value determined with reference to the market value, where possible, of the financial instruments belonging to the covered client and which such funds or instruments, the Fund member fails to repay or return, respectively.

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 investment 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.

7. Procedure of invitation to submit applications.

7.1 Upon initiation of the compensation payment procedure, the Fund shall publish as soon as possible in at least two national newspapers, an invitation to submit applications for compensation, designating the procedure for the submission of the relevant applications, the deadline for their submission as well as their content as defined specifically in this Part.

7.2 The publication shall include at least:

- (a) the name and address of the headquarters and the trade name of the involved Fund member;
- (b) the deadline for the submission of the compensation applications, which cannot be less than five months or more than nine months from the date of initiation of the compensation payment procedure, or from the date of its publication;
- (c) the mode of submission of applications; and
- (d) the address and/or website through which covered clients may obtain the relevant claim form provided by the Fund, as provided for in Paragraph 8.

7.3 The publication shall be communicated immediately to the Commission, which shall post the publication on its website.



7.4 In exceptional and justified cases, the Fund, with an announcement thereof, may extend the deadline for the submission of compensation applications up to three months, provided it obtains the approval of the Commission. The said announcement shall be published by the Fund in at least two national newspapers and the Commission shall publish it on its website.

8. Claim application form.

8.1 The Fund shall issue a claim form setting out the information and supporting evidence required in order to evaluate the claims of covered investors.

8.2 Without prejudice to the provisions mentioned in 8.1 the Fund may request additional information where deemed necessary.

9. Compensation payment conditions.

The payment of compensation by the Fund shall entail the following:

- (a) the initiation of the compensation payment procedure;
- (b) the existence of a valid claim by a covered client against the Fund member, which derives from an investment operation;
- (c) the submission of an application form as prescribed in this directive;
- (d) That the claims do not arise from transactions for which there has been a criminal conviction for money laundering as defined in the Prevention and Suppression of Money Laundering Activities Law of 2007;
- (e) There are no pending criminal proceedings against the said covered client for money laundering as defined in the Prevention and Suppression of Money Laundering Activities Law of 2007,;
- (f) The right of a covered client has not been extinguished under the Limitation of Offenses Act

10. Determination of the amount of the compensation payable.

10.1 The calculation of the compensation payable shall arise from the sum of the total established claims of the covered client against the Fund member, arising from all covered services provided by the member and regardless of the number of accounts of which it is the beneficiary, the currency and place where such services are provided within the European Union.

10.2 The Fund shall provide coverage for the claims referred to in Paragraph Cover Claims, which applies for the total claims of the covered client against a Fund member and shall be defined as the lower of 90% of the cumulative covered claims of the covered client and €20.000.

10.3 In the case of joint investment business:

- (a) in the calculation of the coverage provided for in sub-paragraph 10.2, the share attributable to each covered investor shall be taken into account;



(b) the claims shall be allocated equally amongst covered investors, unless there exist special provisions, and without prejudice to section (c), each investor is provided with separate coverage pursuant to the provisions of paragraph 10.2;

(c) 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, shall, for the purpose of calculating the coverage provided for in paragraph 10.2, be aggregated and treated as if arising from an investment made by a single investor.

10.4 Where a covered client is not the ultimate beneficiary of the funds or financial instruments held by the member:

(a) compensation shall be paid to the ultimate beneficiary if his identity is or may be established prior to the date of the determination or ruling referred to in paragraph 5.1 Initiation of the compensation payment procedure.

(b) (b) if the ultimate beneficiaries are more than one, in the calculation of the coverage provided for, the share attributable to each one of them according to the arrangements regulating the management of the funds or financial instruments shall be taken into account. This section shall not apply to undertakings for collective investments.

10.5 Compensation shall be paid in Euro, and, where the funds and/or financial instruments are expressed in a currency other than the Euro, the exchange reference rate of the said currency against the Euro fixed by the European Central Bank at the end of the day on which the compensation payment procedure was activated, shall be used.