

## INVESTOR COMPENSATION FUND

Subject to the provisions of relevant section of the Investment Services and Activities and Regulated Markets Law No. 144 (I)/2007 (hereinafter - the "Law") with any possible amendments thereto, the Investor Compensation Fund (hereinafter - the "Fund") compensates the covered clients for claims arising from the covered services provided by KAB Strategy Limited (hereinafter called the "Company"), so long as failure by Company to fulfill its obligations has been ascertained, in accordance with the terms and procedure defined in the Law, notwithstanding a relevant obligation of Company incurred in accordance with the legislation and the terms which govern its agreement with the covered client and regardless of whether the said obligation is based on the agreement or on wrongdoing.

### Failure by Company to fulfill its obligations consists of its failure:

- Either to return to its covered clients funds owed to them or funds which belong to them but are held by Company, directly or indirectly, in the framework of the provision by Company to the said clients of covered services, and which the latter requested Company to return, in exercise of their relevant right;
- Or to hand over to the covered clients financial instruments which belong to them and which Company holds, manages or keeps on their account, including the case where Company is responsible for the administrative management of the said financial instruments

### The Fund will also initiate the compensation payment procedure if:

1. Company submits to the Fund or to the Cyprus Securities and Exchange Commission a written statement declaring its failure to fulfill its obligations toward its clients;
1. Company files an application for liquidation;
2. The Cyprus Securities and Exchange Commission has revoked or suspended Company authorization to provide investment services and ascertains that Company is not expected to be in a position to fulfill its obligations toward its clients in the near future.

The maximum amount of the compensation payable to the covered clients for the total of their claims shall be equal to €20.000, including co-beneficiaries of joint accounts.

The Fund does not compensate the following investor categories

- Credit institutions;
- Investment firms;
- Other authorized or regulated financial institutions;
- Insurance companies;

- Collective Investment Schemes or a management companies of such schemes
- Pension funds or a management companies of such funds;
- Commodity and/or commodity derivatives dealers;
- Locals;
- Institutional investors whose main activity is to invest in financial instruments, including the securitization of assets or other financial transactions;
- National and regional governments;
- Public bodies that manage public debt;
- Central bank;
- International or supranational institution such as the World Bank, the IMF, the ECB, the IEB or other similar international organization;
- Large undertakings meeting two of the following size requirements on a company basis:
  - a) balance sheet total is equal to EUR 20 000 000;
  - b) net turnover is equal to EUR 40 000 000;
  - c) own funds are equal to EUR 2 000 000;
- Investors characterized by Company as professionals, upon their request;
- 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;
- 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 three newspapers of national coverage, an invitation to the covered clients to make their claims arising from covered services, designating the procedure prior the submission.

The payment of the compensation by the Fund is deposited to a bank account of the covered client-claimant designated by the latter in writing to the Fund