

<b>Investor Compensation Fund</b>
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## 1. Introduction

W.G Wealth Guardian Ltd (hereinafter, “the Company”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (hereinafter, “CySEC”) with Licence number .....

The Company is authorised to provide the following Investment and Ancillary Services:

a. **Investment Services:**

- Reception and transmission of orders in relation to one or more financial instruments;
- Investment Advice
- Portfolio Management
- Ancillary services:

1. Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management.

2. Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction.

3. Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings.

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

5. Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

The Company is a member of the Investor Compensation Fund (the “ICF”), under the provisions of the Law 144(I)/2007 (the “Law”) as subsequently amended from time to time.

The ICF constitutes a private legal entity and its administration is exercised by an Administrative Committee of five members, who are designated for a three-year term. The ICF has been operating since 30th May 2004.

## 2. Objective

The objective of the ICF is to secure any claims of the covered Clients against members of the ICF (i.e. W.G Wealth Guardian Ltd) from the failure of a member of the ICF to fulfil its obligations towards its Clients despite whether that obligation arises from the legislation, the Client agreement or from wrongdoing on the part of the member of the ICF.

### 3. Covered Services

As per the Directive DI144-2007-15 and as subsequently amended from time to time, the following Investment and Ancillary Services are considered as **“Covered Services”**:

#### a. Investment Services:

- Reception and transmission of orders in relation to one or more financial instruments;
- Execution of orders on behalf of clients;
- Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis.

### 4. Covered Clients

The ICF covers Retail Clients of the Company. Professional Clients and Eligible Counterparties are not covered by the ICF. For more details see paragraph titled “Non-Covered Clients”.

### 5. Non-Covered Clients

As per the Directive DI144-2007-15 and as subsequently amended from time to time, the ICF does not compensate the following investor categories (i.e. “Non-Covered Clients”):

#### a. The following categories of institutional and professional investors:

- Investment Firms;
  - Legal entities associated with the Company and, in general, belonging to the same group of companies;
  - Banks;
  - Cooperative credit institutions;
  - Collective investment organisations in transferable securities and their management companies;
  - Social insurance institutions and Funds;
  - Investors categorised by the Company as professionals, upon their request.
- b. States and supranational organisations.
- c. Central, federal, confederate, regional and local administrative authorities.
- d. Enterprises associated 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 as provided by the Law, such as its qualified auditors.

- g. 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 points (e) and (f) above.
- h. Second-degree relatives 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. Apart from the investors convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law of 2007, as amended or replaced, investors-Clients of the Company responsible for facts pertaining to the Company that have caused its financial difficulties or have contributed to the worsening of its financial situation or which have profited from these facts.
- j. 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 EU.

The ICF shall pay no compensation to individuals against whom criminal proceedings under the provisions of the Prevention and Suppression of the Legalization of Proceeds from Criminal Activities Law of 2007, as amended or replaced, are pending.

In the cases of paragraphs e, f, g and h, the ICF suspends the payment of compensation informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

## **6. Compensation Payment Process**

The object of the ICF is to secure the claims of the covered Clients against the members of the ICF 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 fulfil its obligations has been ascertained.

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

- a. either 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 context of the provision by the Company to the said Clients of covered services, and which the latter requested the Company to return, in exercising their relevant right, or
- b. to hand over to the covered Clients financial instruments which belong to them and which the Company holds, manages or keeps on their account, including circumstances where the Company is responsible for the administrative management of the said financial instruments.

The compensation payment procedure will be initiated by the ICF when at least one of the following preconditions is fulfilled:

- a. the Cyprus Securities and Exchange Commission has determined by Resolution that the Company is unable to meet any of its duties arising from its investors-Clients claims, in connection with the covered services it has provided, as long as such inability is directly related to the Company's financial position which has no realistic prospect of improvement in the near future, and has issued its decision on the commencement of the compensation payment procedure by the ICF as well as publishing the said

decision in the Official Gazette of the Republic of Cyprus as well as on its website on the Internet; or

- b. A judicial authority has on reasonable grounds, directly related to the financial position of the Company, made a ruling which has the effect of suspending the Clients' ability to lodge claims against the Company.

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; and
- 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 in paragraph 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.

## 7. Compensation Amount

The compensation amount 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 off-set rules applied for the calculations of the claims between the covered Client and the Company. The calculation of the compensation payable derives from the sum of the 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.

The valuation of the financial instruments pertaining to the compensation payable to the covered Client is carried out based on the value of the day:

- a. of publication of a court ruling which has the effect of suspending the investors ability to lodge claims against it based on reasonable grounds directly related to the financial circumstances of the Investment Firm which has subscribed to the ICF;
- b. of publication of the decision of the Cyprus Securities and Exchange Commission that an Investment Firm, which has subscribed to the Fund, is unable to meet any of its duties arising from its Clients' claims in connection with the covered services it has provided, as long as such inability is directly related to its financial circumstances in respect of which no realistic prospect of improvement in the near future seems foreseeable.

The total payable compensation amount to each covered Client of the Company may not exceed the amount of twenty thousand Euros (€20,000) irrespective of:

- the number of accounts held
- currency and
- place of offering the investment and/or ancillary service

Therefore should a claimant-Client have a claim that exceeds the amount of twenty thousand Euros (€20,000), the claimant will receive as compensation from the ICF the amount of twenty thousand Euros (€20,000).

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.

## 8. General Information

For any further information regarding the ICF, please contact the Company at: [info@wguardian.com](mailto:info@wguardian.com)