

## INVESTOR COMPENSATION FUND

### General

1. In accordance with the provisions of the Cypriot Law for the Provision of Investment Services and Activities 87(I)/2017, iCFD Limited operating under the brand name 'Vestle' (formerly known as "iFOREX") (the "Company") is a member of the Investor Compensation Fund (ICF) for the clients of Cyprus Investment Firms (CIFs).
2. The objective of the ICF is to secure the claims of the covered clients against CIFs (including the Company) which are members of the ICF, through the payment of compensation in cases where the member of the ICF is unable to fulfill its obligations towards its Clients.

### Covered Services

3. Covered services are the services offered by the Company, as applicable. The ICF shall not pay compensation to individuals for which criminal proceedings under the provisions of the Prevention and Suppression of the Legalization of Proceeds from Criminal Activities Law of 2007 of Cyprus are pending against them.

### Covered Clients

4. The ICF compensates all clients of the Company, except the clients listed below under "Non-Covered Clients".

### Non-Covered Clients

5. Under applicable regulation, the ICF does not compensate the following investor categories:
  - a. The following categories of institutional and professional investors:
    - i. Investment Firms (IFs).
    - ii. Legal entities associated with the Company and, in general, belonging to the same group of companies.
    - iii. Banks.
    - iv. Cooperative credit institutions.
    - v. Insurance companies.
    - vi. Collective investment organizations in transferable securities and their management companies.
    - vii. Social insurance institutions and funds.
    - viii. Investors characterized by the Company as professionals, upon their request.
  - b. States and international organizations.
  - c. Central, federal, confederate, regional and local administrative authorities.
  - d. Enterprises associated with the Company, as applicable.
  - 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 law, such as its qualified auditors.
  - g. Investors involved 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 paragraphs (e) and (f).
  - 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. 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 European Union.
6. In the cases of points (e), (f), (g) and (h) above, the ICF suspends the payment of compensation informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

**Procedure for the payment of compensation**

7. The ICF compensates the covered clients for claims arising from the covered services provided by the Company, so long as failure by the Company to fulfill its obligations has been ascertained (see also points 8, 9 and 10 below).
8. Failure by the Company to fulfill its obligations consists of its failure:
  - a. Either 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 by the Company to the said clients of covered services, and which the latter requested the Company to return, in exercise of their relevant right;
  - b. Or to hand over to the covered clients financial instruments which belong to them and which the Company holds, manages or keeps on its account, including the case where the Company is responsible for the administrative management of the said financial instruments.
9. The ICF will commence the compensation payment process upon one of the following situations:
  - a. the Cyprus Securities and Exchange Commission (CySEC) has determined by resolution that the Company, which has subscribed to the ICF, is unable to meet such of its duties as arise from its clients' claims in connection with the investment services or the non-core/ancillary 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, or

- b. a judicial authority has, on reasonable grounds directly related to the financial circumstances of the Company which has subscribed to the ICF, issued a ruling which has the effect of suspending the investors ability to lodge claims against it.
10. The fulfillment of the precondition referred to in point 9 (a) above is presumed:
  - a. if the Company submits to the ICF or to CySEC a written statement declaring its failure to fulfill its obligations toward its clients;
  - b. If the Company files an application for liquidation in accordance with the provisions of Part V of the Companies Law, or
  - c. If CySEC has revoked or suspended the Company's authorization to provide investment services and ascertains that the Company is not expected to be in a position to fulfill its obligations toward its clients in the near future, for reasons which do not concern a temporary lack of liquidity which can be dealt with immediately.
11. Upon issuance of a decision for the commencement of the compensation payment process, the ICF publishes in at least three newspapers of national coverage an invitation to the covered clients to make their claims against the Company. The invitation will outline the procedure for submission of relevant applications, including the deadline for submission and the content of such applications.
12. The compensation applications of covered clients with which they make their claims against the Company are submitted to the ICF in writing.
  - a. The compensation applications must include:
    - i. the name of the claimant;
    - ii. the address, telephone and fax numbers as well as any email address of the claimant;
    - iii. the client code that the claimant had with the Company;
    - iv. the particulars of the covered services agreement between the ICF and the claimant;
    - v. the type and amount of the alleged claims of the claimant; and
    - vi. the exposition of the particulars from which the alleged claims of the claimant and their amount are derived.
  - b. The ICF may ask for more information included in the compensation application, which it communicates with its publication in at least three newspapers of national coverage as well as in the Official Gazette of the Republic, and puts a catalogue with this information at the disposal of investors, at its offices and/or at the offices of the Company.
13. Upon submission of the applications, the Administrative Committee of the ICF has control especially if:
  - a. the claimant falls within the category of covered clients;
  - b. the application was timely submitted;

- c. the ICF shall pay no compensation in respect of claims arising out of transactions involving individuals convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law; and;
  - d. the conditions for the valid submission of compensation applications are fulfilled.
14. The Administrative Committee rejects the application in case the claimant does not fulfill the conditions of points (a) to (d) above (i.e. point 13) or, if at the Administrative Committee's discretion, there exists at least one of the following reasons:
- a. the claimant 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.
15. 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 working days from its issue; and
  - b. communicates to each affected client its finding no later than fifteen days from the issue of the aforementioned minutes determining the total compensation amount this client is entitled to receive.

#### **Amount of compensation**

16. The amount of compensation payable to each covered customer is calculated in accordance with the legal and contractual terms governing the relation of the covered customer with the Company, subject to the rules of setoff applied for the calculation of the claims between the covered customer and the Company.
17. The calculation of the payable compensation derives from the sum of total established claims of the covered customer against the Company, arising from all covered services provided by the Company and regardless of the number of accounts of which the customer is a beneficiary, the currency and place of provision of these services.
18. The total payable compensation to each covered client of the Company may not exceed €20,000, irrespective of the number of accounts held, currency and place of offering the investment service.
19. When the Company 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 comes up, per client, to the lump sum paid by any investor compensation scheme in operation in the said third country, without however this amount exceeding the amount of €20,000.

If in the third country an investor compensation scheme is not in operation, the maximum amount of payable compensation per client of the branch comes up to an amount corresponding to two thousand Cyprus pounds (approx. €3,400).

20. 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 €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.