

Information to Clients of Reserve Invest (Cyprus) Limited in relation to the Investors Compensation Fund for customers of Cypriot Investment Firms (CIFs)

Reserve Invest (Cyprus) Limited ("Manager") is a member of the Investor Compensation Fund (ICF) for Customers of Cypriot Investment Firms (CIFs) and other Investment Firms (IFs) which are not credit institutions (the "Fund"). The ICF was established under the Investment Firms (IF) Law 2002 and the Establishment and Operation of an Investor Compensation Fund for Customers of CIFs Regulations of 2004 (the "Regulations") and continues its operation under the Law 144 (I) / 2007.

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

The Fund has been operating since 30 May 2004.

Covered Services

The Investor Compensation Fund covers the investment services and activities listed in the Law 144 (I) / 2007 Third Appendix Part I.

The phrase financial instruments in the previous paragraph refers to the list from the Law 144 (I) / 2007 Third Appendix Part III:

Covered Clients

The ICF covers the clients of the Manager except those who are included in the following categories of investors:

1. The following categories of Institutional and professional investors:
 - (a) Investment Firms (IFs);
 - (b) Legal entities associated with Manager and, in general, belonging to the same group of companies as Manager,
 - (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 Manager as professionals, upon their request, in accordance with articles 14 and 15 of the Code of Professional Conduct of Investment Firms.
2. States and supranational organizations.
3. Central, federal, confederate, regional and local administrative authorities.

4. Enterprises associated with Manager. Associated enterprises means companies belonging to the same group as well as natural persons who directly or indirectly control that legal person or its parent Manager, holding a minimum percentage of 20% of the share capital or voting rights and their associates.

5. Managerial and administrative staff of Manager.

6. Shareholders of Manager, whose participation directly or indirectly in the capital of the Manager amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the Manager, as well as persons responsible for the carrying out of the financial audit of the Manager, such as its qualified auditors.

7. Investors having investments in enterprises connected with the Manager and, in general, of the group of companies, to which the Manager belongs, or positions and duties corresponding to the ones listed in paragraphs (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 on behalf of these persons.

9. Investors involved in money laundering activities or investors responsible for the financial difficulties of the Manager or have contributed to the worsening of the Manager's financial situation or which have profited from these facts/activities.

Preconditions for the initiation of the compensation payment procedure by the Fund

The Fund initiates the compensation payment procedure when at least one of the following prerequisites is fulfilled:

- (a) The Cyprus Securities and Exchange Commission has determined that the Company is for the time being unable to meet its obligations arising from its investors-customers' 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, or
- (b) A Court, based on grounds directly related to the financial position of the Company, has made a ruling which has the effect of suspending the investors-customers' ability to lodge claims against Company.

Compensation Amount Formalities

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 set-off applied for the calculation of the claims between the covered customer and Company. The calculation of the payable compensation derives from the sum of total established claims of the covered customer against Company, arising from all covered services provided by Company and regardless of the number of accounts of which the customer is a beneficiary, the currency and place of provision of these services.

If the amount of the claim determined, exceeds the amount Euro 20.000, the claimant receives as compensation the lump sum of the amount of Euro 20.000.

The investment firm providing services to its clients through a branch situated in a third country, the amount of the maximum compensation payable to its clients comes up to the lump sum paid by any investor compensation scheme in operation in the third country, without however this amount exceeding the amount of €20.000 per client.

Upon completion of the valuation, the Fund:

(a) issues minutes listing the customers of the Company who are entitled to compensation, along with the amount of money each one of them is entitled to receive and communicates it to the Cyprus Securities and Exchange Commission and the Company within five working days from its issue; and

(b) communicates to each affected customer its finding no later than fifteen days from the issue of the protocol, determining the total compensation amount this customer is entitled to receive.

The claimant, to whom the Fund communicates the total compensation amount to which he is entitled, in case he disagrees with the Fund's decision, has the right within ten days from the communication of the decision to appeal to the Cyprus Securities and Exchange Commission, justifying sufficiently his alleged claim.

The Fund is obliged to pay to each covered customer – claimant the compensation within three months from sending to the Cyprus Securities and Exchange Commission the protocol with the compensation beneficiaries.