

**APPENDIX № 9
to Terms of Business for Provision of Brokerage Services**

INFORMATION ABOUT COMPENSATION FUND OF INVESTOR CLIENTS OF CYPRUS-BASED INVESTMENT COMPANIES

1. Introduction

1.1. Skanestas Investments Limited (“the Company”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (“CySec”) with license number 251/14. The Company is a member of the Investor Compensation Fund (the “Fund”) for clients of Cyprus Investment Firms (CIFs) and other Investment Firms (IFs) which are not credit institutions.

1.2. The Fund was established under the Investment Firms (IF) Law 2007 as amended (the “Law”) and Directive DI144-2007-15 Of The Cyprus Securities And Exchange Commission For The Continuance Of Operation And The Operation Of The CIF Investor Compensation Fund (the “Regulations”) which were issued under the Law.

1.3. The Fund is a legal entity and is managed by an administrative committee which consists of five members appointed for a term of 3 (three) years. The fund has been in operation since May 30, 2004.

2. Covered services

2.1. The Fund covers the following services:

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

as well as the ancillary service of:

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

As applicable to the Company’s License and relating to any of the financial instruments listed below and relevant to the company:

2.2. The phrase financial instruments in the previous paragraph refer to:

- Transferable securities.
- Money market instruments.
- Units in collective investment undertakings.
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event).

- Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or/and an MTF.

- Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled (provided that they are traded on a regulated market or/and an MTF) and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls.

- Derivative instruments for the transfer of credit risk.

- Financial contracts for differences.

- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

3. Covered clients.

3.1. The Fund covers all clients of the Company except those who are convicted of a criminal offense for the transactions, pursuant to the Prevention and Suppression of Money Laundering Activities Law of 2007 and those who are included in the following categories of investors:

Non-covered clients

(1) 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,
- Insurance companies,
- Collective investment organizations in transferable securities and their management companies,
- Social insurance institutions and funds,
- Investors characterized by the Company as professionals, upon their request;

(2) States and supranational organizations;

(3) Central, federal, confederate, regional and local administrative authorities;

(4) Enterprises who have close ties with the Company. Enterprises with "close ties" or "close links" means undertakings belonging to the same group as well as natural persons who directly or indirectly control that legal person or its parent company, holding a minimum percentage of 20% of the share capital or voting rights;

(5) Managerial and administrative staff of the Company;

(6) 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;

(7) Investors having investments 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 3.1.(5) and 3.1.(6);

(8) Second-degree relatives and spouses of the persons listed in paragraphs 3.1.(5), 3.1.(6) and 3.1.(7), as well as third parties acting for the account of these persons;

(9) Customers who file claims arising out of transactions involving individuals convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law or customers responsible for the financial difficulties of the Company or who have contributed to the worsening of the Company's financial situation or who have profited from these facts;

(10) 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;

In the cases of paragraphs 3.1.(5), 3.1.(6), 3.1.(7) and 3.1.(8), the Fund suspends the payment of compensation informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

4. Objective of the Fund

4.1. The objective of the Fund is to secure claims of covered clients in whose interests the Fund operates against the Fund's members by paying compensation for their claims arising from the covered services provided by the Fund's members, so long as failure of a Fund's member to fulfill its obligations has been ascertained.

4.2. The term failure denotes the inability of the Company:

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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 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 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 administrative management of said financial instruments.

5. Prerequisites for initiating the procedure for paying out compensation

5.1. The Fund initiates the procedure for paying out compensation when at least one of the following prerequisites is in place:

A. the Cyprus Securities and Exchange Commission has determined by Resolution that the Company is currently unable to meet such of its duties arising out of claims of its investor Clients for covered services it has provided, that such inability is directly related to the Company's financial standing which has no realistic prospect to improve in the near future, or

B. a court has issued a ruling on reasonable grounds related to the Company's financial standing that temporarily deprives investor Clients of the ability to file complaints (claims) against the Company;

5.2. Upon issuance of a decision by the Cyprus Securities and Exchange Commission or by the Court in accordance with

paragraph 5.1.(a) or 5.1.(b) above respectively, on the commencement of the compensation payment procedure, the Fund publishes in at least three national newspapers an invitation to the covered clients to make their claims against the Company arising from covered services, designating the procedure for the submission of the relevant applications, the deadline for their submission and their content.

6. Calculation of compensation payable - formalities

6.1. The amount of compensation toward investor-clients of Fund members shall be up to a maximum amount of twenty thousand Euro (€20.000) and the said coverage applies to the total amount of claims of an investor toward a Fund member, irrespective of the number of accounts, currency and place of provision of the service. In the case of a joint investment operation, the part of the claim attributable to each investor is taken into account: It is provided that - joint investment operation means covered investment service or the ancillary service which is carried out on behalf of two or more beneficiaries, and generally persons who have a right which may be exercised upon the signature of one or more such persons.

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

6.3. The valuation of the financial instruments pertaining to the compensation payable to the covered client is carried out based on their value at the day: (a) of publication of a court ruling which has the effect of the suspending the investors ability to lodge claims against it based on reasonable grounds directly related to the financial circumstances of an Investment Firm (i.e. Skaneastas Investments Limited) which has subscribed to the Fund; (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 such of its duties as arise from its customers' 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.

6.4. Insofar as the amount of the claim determined exceeds the amount of twenty thousand Euros (€20.000), the claimant receives as compensation the lump sum of the amount of twenty thousand Euros (€20.000).

6.5. (a) The investment firm providing services to its clients through the 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 third country, without however the amount exceeding the fixed amount of twenty thousand Euros (€20.000). (b) if in the third country by virtue of sub-paragraph (a) 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 three thousand four hundred and seventeen Euro (€3.417).

6.6. 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 Euro 20,000 or, as the case may be, as per above point 6.5 (b) Euro 3,417 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.

6.7. Upon completion of the valuation, the Fund: (a) issues minutes listing the clients 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 client its finding, no later than fifteen days from the issue of the minutes, determining the total compensation amount this client is entitled to receive.

6.8. The Cyprus Securities and Exchange Commission, in order to ensure that the provisions of the legislation in force in the Republic of Cyprus are fulfilled during the examination of the applications and the calculation of the amount of the corresponding compensation per covered client, may: (a) request from the Fund, the Company and the claimant to produce information and particulars, (b) run the investigations required, implementing the relevant provision of the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Laws.

6.9. The claimant, to whom the Fund communicates the total compensation amount to which he is entitled, in case he/she 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/her alleged claim.

6.10. The Fund is obliged to pay to each covered client-claimant the compensation within three months from sending to the Cyprus Securities and Exchange Commission the minutes with the compensation beneficiaries. 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.

6.11. Every compensation payable to a covered client burdens initially the property of the Fund corresponding to the individual shares of its members and then the assets of the fixed reserve.

For additional disclosure of information about the Fund's activities, the amount of compensation payable to Clients, the procedure for filing a relevant application and the terms and conditions for paying out such compensation please contact us by email: info@skanestas.com