

Reliantco

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INVESTMENT COMPENSATION FUND POLICY

RELIANTCO INVESTMENTS LTD

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INVESTOR COMPENSATION FUND POLICY

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, which was established under the Investment Firms Law 2002 as amended and replaced by Law 144(I)/2007 (the “Law”) and the Establishment and Operation of an Investor Compensation Fund for Clients of CIFs Regulations of 2001 which were issued under the Law.

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 object of the Fund is to secure the claims of the covered clients against the members of the Fund 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.

It is a legal obligation for CIFs and other IFs, which are not banks, to subscribe to the Fund. Any compensation provided to clients by the Investor Compensation Fund shall not exceed EUR20.000. This applies to clients’ aggregate claims against the Company.

Covered Services

The Fund compensates the covered clients of the Company for claims arising from the covered services provided by the Company, as defined and listed on its authorisation and can be found on the official website of the Cyprus Securities and Exchange Commission at investment services and ancillary services respectively.

Covered Clients

The Fund covers the clients of the Company, except those belonging into the following categories:

- a. The following categories of institutional and professional investors:
 - i. investment Firms;
 - ii. legal entities associated with the member of the Fund 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 member as professionals, upon their request;
- b. States and supranational organizations.
- c. Central, federal, confederate, regional and local administrative authorities.
- d. Enterprises associated with the member of the Fund.
- e. Managerial and administrative staff of the member of the Fund.
- f. Shareholders of the member of the Fund, whose participation directly or indirectly in the capital of the member of the Fund amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the member of the Fund, as well as persons responsible for the carrying out of the financial audit of the member of the Fund, such as its qualified auditors.
- g. Investors having in enterprises connected with the member of the Fund and, in general, of the group of companies, to which the member of the Fund belongs, positions or duties corresponding to the ones listed in paragraphs (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, or, investors-clients of a member of

the Fund responsible for facts pertaining to the member of the Fund 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.

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

Compensation of covered clients

- Failure of a member of the Fund to fulfil its obligations toward its investors
The Fund compensates the covered clients for claims arising from the covered services provided by its members as long as failure by the member to fulfil its obligations has been ascertained; failure by a member of the Fund to fulfil 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 the member, directly or indirectly, in the framework of the provision by the said member to the said clients of covered services, and which the latter requested the member to return, in exercise of their relevant right.
 - Or to hand over to the covered clients financial instruments which belong to them and which the member of the Fund holds, manages or keeps on their account, including the case where the member is responsible for the administrative management of the said financial instruments.

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

The Fund initiates the compensation payment procedure:

- If the member of the Fund submits to the Fund or to Cyprus Securities and Exchange Commission (CySEC) a written statement declaring its failure to fulfil its obligations toward its clients.
- If the member of the Fund files an application for liquidation.
- If CySEC has revoked or suspended the member's authorization to provide investment services and ascertains that the member of the Fund 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.

CySEC may request by the member of the Fund to set out its views within a short deadline so fixed, which cannot be less than three working days from the date of the invitation to set out such views.

Procedure relating to the recording and evaluation of the alleged compensation claims

The Fund designates at least one qualified auditor and at least one lawyer with knowledge on capital market issues, who after having checked initially the prerequisites, they evaluate the claims submitted to the Fund and recommend to the Administrative Committee their acceptance in total or in part or their rejection. In case of disagreement between these persons, each one of them submits a separate recommendation. The remuneration of the persons is agreed between the Fund and these persons and burdens the member of the Fund, and, if necessary, is paid by the Fund.

The persons in order to evaluate the applications:

- Ask from the member of the Fund to express its opinion about the grounds of the claims alleged by the claimants and, in case of doubt, to present the relevant supporting documents;
- Evaluate, based on the information they have, the applications, determining the amount of the compensation for each claimant.

The persons have full access to the books kept by the member of the Fund, in order to accomplish their work, and they are obliged to exhibit confidentiality against any third party as to the information coming to their knowledge in the exercise of their duties provided that the said obligation of confidentiality is disregarded in order to render possible the exercise of their duties.

Payable compensation amount

To ascertain the claims of a claimant against a member of the Fund, as well as any counterclaims of the member of the Fund against the claimant, the books kept and the particulars issued by the member of the Fund as well as the supporting evidence produced by the claimant are taken into consideration.

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 member of the Fund, subject to the set-off rules applied for the calculation of the claims between the covered client and the member of the Fund.

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:

- of publication of the court;
- of publication of the decision of CySEC.

The calculation of the payable compensation derives from the sum of total established claims of the covered client against the member of the Fund, arising from all covered services provided by the member and regardless of the number of accounts, of which it is a beneficiary, the currency and place of provision of these services.

As the amount of the claim determined under this Regulation exceeds the amount of Twenty Thousand Euro (EUR20.000), the claimant receives as compensation the lump sum of the amount of Twenty Thousand Euro (EUR20.000).