



Wise Wolves Finance

INVESTORS' COMPENSATION FUND (ICF)

Wise Wolves Finance Ltd (hereinafter the “Company”) is regulated by Cyprus Securities and Exchange Commission (hereinafter the “CySEC”) under registration **337/17** and by the Investment Services and Activities and Regulated Markets Law №144(I)/2007 to the extent it remains applicable after coming into force of MiFID II, the Cyprus Law 87(I)/2017 for the provisions of investment services, the exercise of investment activities, the operation of regulated markets and other related matters, and any legislative acts, rules, customs or practices in dealings of any relevant market or exchange with any possible amendments thereto. The Company is a member of Investor Compensation Fund (hereinafter the “ICF”) for Clients of Cyprus Investment Firms (hereinafter the “CIF”) and other Investment Firms (IFs) which are not credit institutions.

The Investor Compensation Fund for IF Clients (“ICF”) is the Fund of its members, established pursuant to Article 59(1) and (2) of Law 144(I)/2007 which provides for the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and other Related Matters (“the Law”) as an investor compensation fund for CIF clients other than credit institutions and its powers and functions are regulated by the provisions of the Law and of the Directive 144-2007-15 of the Cyprus Securities and Exchange Commission (“CySEC”) for the Continuance of the Operation and the Operation of the IF Investor Compensation Fund (“the Directive”).

OBJECTIVE OF THE ICF

The objective of the ICF is to secure the claims of the covered clients against the Company’s, through the payment of compensation for their claims arising from the covered services provided by the Company, so long as failure by the Company to fulfill its obligations has been ascertained.

Failure by the Company to fulfill its obligations consists of its failure to:

- a. Either to pay back 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 return 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.

COMPENSATION AMMOUNT FORMALITIES

The amount of 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 rules of setoff applied for the calculation 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.

The total payable compensation to each covered Client of the ICF member may not exceed €20.000, irrespective of the number of accounts held, currency and place of offering the investment service.



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.

COVERED SERVICES

Covered services of the Company are the investment services of:

1. Reception and transmission of orders in relation to one or more of the Financial Instruments.
2. Execution of orders on behalf of Clients.

as well as the ancillary services of:

1. 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.

Financial instruments are:

- Transferable securities and units in collective investment undertakings;
- Money market instruments;
- Futures contracts, including equivalent instruments which provide the option to be settled in cash;
- Forward rate agreements (FRAs);
- Swaps dealing in interest rates or currency as well as equity swaps;
- Options for buying or selling in the future any financial instrument, including equivalent instruments which provide the option for settlement in cash and, especially, Options concerning currency and interest rates;
- Units in collective investment undertakings;
- Derivative instruments for the transfer of credit risk and derivative contracts relating to commodities.

COVERED CLIENTS

The ICF covers Retail Clients of the Company. It does not cover Professional Clients and Eligible Counterparties.



NON-COVERED CLIENTS

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.

The ICF does not compensate the following categories*:

1. Institutional and professional investors as mentioned below:
 - a. Investment Firms (IFs);
 - b. Legal entities associated with the Company and, in general, belonging to the same group of companies;
 - 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 the member as professionals upon their request, under articles 14 and 15 of the Code of Professional Conduct for Ifs.
2. States and supranational organizations.
3. Central, federal, confederate, regional and local administrative authorities.
4. Enterprises associated with the member of the ICF. 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 associate.
5. Managerial and administration staff of the Company.
6. Shareholders of the member of the ICF whose participation directly or indirectly in the capital of the member amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the member of ICF, as well as persons responsible for the carrying out of the financial audit of the member of the ICF as provided by the Law, such as qualified auditors.
7. Investors having in enterprises connected with the member of ICF and, in general, of the group of companies, to which the member of the ICF belongs, positions or duties corresponding to the ones listed in the previous two paragraphs.
8. Second-degree relatives and spouses of the persons listed in the previous three paragraphs as well as third parties acting for the account of these persons.
9. Investors involved in money laundering activities or investors responsible for the financial difficulties of the Company or having contributed to the worsening of the Company's financial situation or which have profited from these activities;
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 of the European Union.

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



PREQUISITES FOR INITIATION OF THE COMPENSATION PAYMENT PROCEDURE

The compensation payment process from the ICF is initiated if, at least, one of the following requirements is fulfilled:

1. The CySEC has determined that the Company is for the time being unable to meet its obligations arising from its investors 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 the Court has on reasonable grounds directly related to the financial circumstances of the Company issued a ruling which has the effect of suspending the investors ability to lodge claims against the Company.
2. The Company submits to the ICF or to CySEC a written statement declaring its failure to fulfil its obligations towards its Clients; or
 - a) The Company files an application for liquidation in accordance with the provisions of Part V of the Companies Law of Cyprus; or
 - b) 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 fulfil 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.
 - c) A judicial authority has, on reasonable grounds directly related to the financial circumstances of the Company, issued a ruling which has the effect of suspending the investors' ability to lodge claims against it.

Upon the issuance of a decision to initiate the compensation payment process by the Court or by the CySEC, in accordance with paragraph 1 or 2 above respectively, the ICF publishes, in at least three newspapers of national coverage, an invitation to the covered Clients to make their claims against the member of the Company regarding the covered services. The invitation outlines the procedure for submission of the relevant compensation applications, including the deadline for submission and the content of such applications.

The application needs to be made in writing and include, at least, the following:

- The name of the claimant;
- The address, telephone and fax numbers as well as any email address of the claimant;
- The Client code that the claimant had with the Company;
- The particulars of the covered services agreement between the ICF and the claimantClient;
- The type and amount of the alleged claims of the claimant;
- The exposition of the particulars from which the alleged claims of the claimant Client and their amount are delivered;

Upon completion of the valuation, the ICF:

- 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 CySEC and to 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 minutes, determining the total compensation amount this customer is entitled to receive.

The ICF is obliged to pay to each covered claimant the compensation within three months from sending to the CySEC the minutes with the compensation beneficiaries.

The payment of the compensation by the ICF is deposited to a bank account of the covered customer- claimant designated by the latter in writing to the ICF.

PRECAUTIONS BEFORE THE SUBMISION

The Administrative Committee of the Fund will take control of application if:

- The claimant falls within the category of covered clients;
- The application was timely submitted;
- The claimant has not been convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities of 2007 with any possible amendments thereto;
- The conditions of the Law and of the Directive for the valid submission of compensation applications are fulfilled.

The Administrative Committee rejects the compensation application in case the claimant does not fulfil the conditions previously mentioned, or if at least one of the following reasons exists:

1. The claimant used fraudulent means in order to secure the payment of compensation by the ICF, especially if it knowingly submitted false evidence;
2. 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.

