



WINDSORBROKERS

# INVESTOR COMPENSATION FUND POLICY

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## INTRODUCTION

Windsor Brokers Limited (hereinafter referred to as the “**Company**”) is a Cypriot Investment Firm (hereinafter referred to as the “**CIF**”) incorporated in the Republic of Cyprus with incorporation number HE 119081 and regulated by the Cyprus Securities and Exchange Commission (hereinafter referred to as the “**CySEC**” or “**Commission**”) with license number 030/04 and operated under the Markets in Financial Instruments Directive (EU Directive 2014/65/EU – MiFID II) as in force and/or as this may be amended from time to time.

The Company is a member of the Investor Compensation Fund (hereinafter referred to as the “**Fund**” or “**ICF**”) within the definition of Directive DI87-07 (hereinafter referred to as the “**Directive**”) for the continuance of operation and the operation of the Fund. Any compensation provided to clients by the Fund shall not exceed the €20.000.

### Purpose

The objective of the Fund is to secure the claims of covered clients against members of the Fund by the payment of compensation for their claims arising from the failure of a member of the Fund to fulfil its obligations, provided that least one precondition of paragraph 18(1) of the Directive is fulfilled.

Failure by the Company to fulfil its obligations as stipulated in part III of the Directive can lead to either (a) its inability 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 of covered services, or (b) its inability to return to its covered clients financial instruments which belong to them and which the Company holds or controls in its accounts on behalf of the clients.

### Object of the Fund

The object of the Fund is to secure the claims of the covered Clients against the Company, in cases where the Company is unable (fails) to meet any of its obligations that arise as a result of the provision of investment and/or ancillary services and where the Company’s financial position is unlikely to change in the foreseeable future, 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 fulfill its obligations has been ascertained.

Failure denotes the inability of the Company:

- 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 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.

## COVERED INVESTMENT SERVICES

The Fund covers the following Investment Services:

- a. Reception and transmission, on behalf of investors, of orders in relation to one or more of the financial instruments; and
- b. Execution of such orders, as listed in section (a), other than for own account.

Financial Instruments refer to the Financial Instruments in relation to which investment services are currently provided by the Company are the following:

- a. Money-market instruments;
- b. 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;
- c. 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); and
- d. Financial contracts for differences.

## COVERED COMPANY CLIENTS

The Fund covers all Clients of the Company, always in relation to the above-named covered services, as and if applicable, except those who are included in the following categories of investors:

- i. The following categories of institutional and professional investors:
  - a. Investment Firms (the "IF");
  - b. Legal Entities associated with the Company and, in general, belonging to the same Group of Companies as the Company;
  - c. Banks;
  - d. Cooperative Credit Institutions;
  - e. Insurance Companies;
  - f. Collective Investment Organizations in Transferable Securities (UCITS) and their Management Companies (ManCOs);
  - g. Social Insurance Institutions and Funds;
  - h. Investors characterized by the Company as professionals, upon their request;
- ii. States and Supranational Organizations;
- iii. Central, Federal, Confederate, Regional and Local Administrative Authorities;
- iv. Enterprises Associated with the Company;
- v. Managerial and Administrative staff of the Company;
- vi. 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;
- vii. Investors having 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 points *l(e)* and *l(f)* above herein;
- viii. Second-degree relatives and spouses of the Legal Persons/Entities listed in points *l(e)* and *l(f)* and *l(g)* above herein, as well as third parties acting for the account of these persons;
- ix. Clients 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 L188(I)/2007 as in force and/or as this may be amended from time to time, or Clients 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;
- x. 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 points *l(e)* and *l(f)* and *l(g)* and *l(h)* above herein, the Fund suspends the payment of compensation informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

## AMOUNT OF PAYABLE COMPENSATION

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 setoff rules 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. Currently, the maximum amount of cover will be, either the 90% of the cumulative covered claims of the covered investor, or the amount of €20.000, whichever is lower.

## PROCEDURE FOR INITIATING THE COMPENSATION PAYMENT

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

- a. the CySEC has determined by Resolution that the Company is unable to meet such of its duties as arise from its investors-Clients' 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 judicial authority has on reasonable grounds, directly related to the financial position of the Company, made a ruling which has the effect of suspending the Clients' ability to lodge claims against the Company.

Upon issuance of a decision by the CySEC or by the Court in accordance with points (a) or (b) above respectively, on the commencement of the compensation payment procedure, the Fund publishes in at least two 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.