



INVESTOR COMPENSATION FUND
FEBRUARY 2017

SQUAREDDIRECT
KEDROU 9, MESA GEITONIA
4004, LIMASSOL
CYPRUS

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1. General

1.1. Squared Financial (CY) Limited (ex. Asptide Financial Ltd and hereinafter, the “Company”) is a member of the Investor Compensation Fund (“ICF”) for the Clients of Cyprus Investment Firms (“CIFs”), under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time (“the Law”).

2. Objective

2.1. The objective of the ICF is to secure claims of the covered Clients against members of the ICF, through the payment of compensation in cases where the member concerned is unable, due to its financial circumstances and when no realistic prospect of improvement in the above circumstances in the near future seems possible. The ICF compensates the covered Clients for claims arising from the covered services provided by its members, so long as failure by the member of the ICF to fulfil its obligations has been ascertained, in accordance with the terms and procedure defined in the Law, notwithstanding a relevant obligation by the member of the ICF in accordance with the legislation and the terms which govern its agreement with the covered Client and regardless of whether the said obligation of the member of the ICF is based on the agreement or on wrongdoing.

3. Covered Services

3.1. Covered services of the Company are the investment services of (i) Reception and Transmission of orders in relation to one or more Financial Instruments, (ii) Execution of Orders on behalf of Clients and Safekeeping and administration of financial instruments, including custodianship and related services offered by the Company.

4. Covered Clients

4.1. The ICF covers Retail Clients of the Company. It does not cover Professional Clients and Eligible Counterparties. For more details see paragraph 5 below.

5. Non-Covered Clients

5.1. 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.

5.2. Under Applicable Regulations, the ICF does not compensate the following investor categories:

- (a) The following categories of institutional and professional investors:
 - Investment Firms (IFs).

- 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.
- (b) States and supranational organizations.
- (c) Central, federal, confederate, regional and local administrative authorities.
- (d) Enterprises associated with the Company.
- (e) Managerial and administration staff of the Company.
- (f) 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 qualified auditors.
- (g) Investors having in enterprises connected with the Company and, in general, of the group of companies, to which the Company belongs (as applicable), positions or duties corresponding to the ones listed in sub-paragraphs (e) and (f) of this paragraph.
- (h) Second-degree relatives and spouses of the persons listed in sub-paragraphs (e), (f) and (g) of this paragraph as well as third parties acting for the account of these persons.
- (i) Apart from investors convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law of 2007, as amended or replaced, investors-Clients of the Company responsible for facts pertaining to the Company 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 of the European Union.

5.3. In the cases of sub-paragraphs (e), (f), (g) and (h) of paragraph 5.2., the ICF suspends the payment of compensation informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.