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# Investor Compensation Policy

Skilling Limited

May 2023

## 1. Introduction

- 1.1. Skilling Limited (“we”, “us”, or “our”) is a private limited liability company incorporated under the Cyprus registration number HE373524 and regulated by the Cyprus Securities and Exchange Commission (hereinafter the “CySEC”), under licence number 357/18, with its registered office at 62 Athalassas Avenue, 2nd Floor, Office 22, 2012 Nicosia, Cyprus. For the purposes of these Terms references to “you”, “your”, or “client” refer to you, unless otherwise stated.
- 1.2. This Policy is pursuant to the Markets in Financial Instruments Directive (MiFID) in the European Union and in accordance with the Laws 87(I)/2017 titled Investment Services and Activities and Regulated Markets Law and the provisions of Directive DI87-01 for the Safeguarding of Financial Instruments and funds belonging to Clients (Replacing RAD 360/2017), the Company is required to safeguard clients’ funds and financial instruments.
- 1.3. For client protection and satisfaction, you should take time to carefully read this Agreement as well as any other policies, additional documents and information available to you through our website prior to opening a trading account with us. By default, you must read, agree and accept all the General terms and conditions set out below, and any additional documents incorporated herein by reference before you establish a Business relationship with us (without modifications).
- 1.4. If you have objections to any of these general terms and conditions, or any part thereof, and/or if you do not agree to be bound by these general terms and conditions, or any part thereof, do not access and/or use our online trading facility in any way and inform us in writing immediately.
- 1.5. By accepting this Agreement, you agree to be bound by these terms and conditions and our Terms of Business (including any schedules, annexes, exhibits, amendments and/or side agreements, if any) that apply to your account and are always subject to any applicable laws. In the event of any conflicts or inconsistency between our Terms of Business and this agreement, our Terms of Business shall prevail.

## 2. Scope

- 2.1. The Investor Compensation Fund Scheme (“ICF”) 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 ICF is to secure the claims of the Eligible Clients against the members of the ICF 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.
- 2.2. The ICF Scheme compensates Eligible Clients for a successful claim relating to Eligible Service provided by the Firm, provided that the Firm's failure to fulfil its responsibilities has been demonstrated.
- 2.3. In particular:
  - 2.3.1. Either failure to hand over to a Eligible Clients’ financial instruments that rightfully belong to them and which the Firm holds, manages, or keeps on its account, including but not limited to situations where Skilling; or
  - 2.3.2. Failure to return monies owed to a Eligible Client or funds belonging to a Eligible Clients but held by us, directly or indirectly, and which the former requested the Firm to return in the course of exercising a right under the 'Client Agreement'.

### 3. Eligible Clients

- 3.1. The ICF covers retail clients of the Company, it is not applicable to elective professional clients or professional per se and/or professional clients.
- 3.2. The ICF covers the clients of the Company, except those belonging into the following categories:
- a) The institutional and professional investors including, but not limited to the below:
    - i) Investment Firms;
    - ii) Banks;
    - iii) Cooperative credit institutions;
    - iv) Insurance companies;
    - v) Collective investment organisations in transferable securities and their management companies;
    - vi) Social insurance institutions and funds;
    - vii) Investors characterised by the member as professionals, upon their request;
    - viii) Legal entities associated with the member of the Fund and, in general, belonging to the same group of companies;
  - b) States and supranational organisations;
  - c) Central, federal, confederate, regional and local administrative authorities;
  - d) Enterprises associated with the member of the ICF;
  - e) Managerial and administrative staff of the member of the ICF;
  - f) Shareholders of the member of the ICF, whose participation directly or indirectly in the capital of the member of the ICF amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the member of the ICF, as well as persons responsible for the carrying out of the financial audit of the member of the ICF, such as its qualified auditors;
  - g) Investors having in enterprises connected with the member of the 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 paragraphs (v) and (vi);
  - h) Second-degree relatives and spouses of the persons listed in paragraphs (v), (vi) and (vii), as well as third parties acting for the account of these persons;
  - i) Apart from the investors, investors-clients of a member of the ICF responsible for facts pertaining to the member of the ICF 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, are not allowed to draw a summary balance sheet in accordance with the Companies Law or a corresponding law of a Member State.
- 3.3. In the cases of paragraphs (e), (f), (g) and (h), the ICF may suspend the payment of compensation by informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

#### 4. Eligible Services

- 4.1. The Company is authorised by its Competent Authority to provide investments for Over-the-Counter (“OTC”), Contract for Difference (“CFDs”) and other Ancillary services under which the Company’s client may receive compensation from the ICF:
- 4.2. Investment services such as (1) Reception and transmission of orders in relation to one or more financial instruments; (2) Dealing on own account; and (3) Execution of orders on behalf of clients;
- 4.3. Ancillary services such as (1) Safekeeping and administration of financial instruments; and (2) Granting of credit and loans to one or more financial instruments.

#### 5. Procedures for compensation payment for claimant:

- 5.1. If the member of the ICF submits to the ICF or to Cyprus Securities and Exchange Commission CySEC a written statement declaring its failure to fulfil its obligations toward its clients
- 5.2. If the member of the ICF files an application for liquidation
- 5.3. If (CySEC) has revoked or suspended the member’s authorization to provide investment services and ascertains that the member of the ICF 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.
- 5.4. The CySEC Authority may request by the member of ICF to set out its views within a short deadline so fixed, which cannot be less than three (3) working days from the date of the invitation to set out such views.

#### 6. Procedure relating to the invitation of eligible clients to submit applications

- 6.1. Upon issuance of a decision by the Court or/ by CySEC, on the commencement of the compensation payment process, the ICF publishes in at least three (3) newspapers of national coverage, an invitation to the Eligible Clients to make their claims against the member of the ICF arising from covered services, designating the procedure for the submission of the relevant applications, the deadline for their submission and their content. The publication contains at least:
  - the name and address of the headquarters of the member of the ICF, to whom the Eligible Clients compensation process has been activated through the ICF;
  - the deadline for the submission of compensation applications, which cannot be less than five months and greater than nine months from the last publication;
  - the mode and address of submission of applications;
  - the address at which investors may be informed about the exact content of the applications to be submitted, and get the relevant form provided by the ICF.

#### 7. Interruption of deadline for submission of applications

- 7.1. In case a Eligible Clients, not being its fault, was neither informed about the invitation to submit compensation applications nor in a position to submit within the deadline this application, the deadline is interrupted provided that an interruption of the deadline arises in case of an event of force majeure, as long as it has been proved that it prevented the keeping of the deadline for the submission of compensation applications or the collection and submission of the required information.

- 7.2. Indications that the Eligible Clients has an impediment for which he is not responsible and which forms a reason for the interruption of the deadline for the submission of a compensation application include especially:
- proved absence of the Eligible Clients abroad for a period which includes at least half of the deadline for the submission of a timely application;
  - illness confirmed by a doctor that it forms a serious impediment for the submission of an application for a period which includes at least half of the deadline for the submission of a timely application; or
  - his stay in a correctional institution for a period which includes at least half of the deadline for the submission of a timely application.
- 7.3. Eligible Clients who submits an application late to the ICF for the payment of compensation is obliged to submit, in addition to the information forming the necessary minimum content of the application a solemn declaration stating the reason for which he was not in a position to claim compensation in time attaching the necessary supporting evidence to prove his allegations.

## 8. Content of compensation applications submitted to the ICF

- 8.1. The compensation applications of Eligible Clients (herein “claimant/covered client”) who are eligible for the purposes of this Policy to file a claim against the Company must be submitted in writing. The compensation applications must include:
- the name of the claimant/ client;
  - the address, telephone and fax numbers as well as any email address of the claimant/ client;
  - the client code that the claimant/client had for the member of the Fund;
  - the particulars of the covered services agreement between the member of the Fund and the claimant/client;
  - the type and amount of the alleged claims of the claimant/client; and
  - the exposition of the particulars from which the alleged claims of the claimant/client and their amount are derived.
- 8.2. The ICF may request for more information included in the compensation application, which it communicates with its publication in **at least three (3)** newspapers of national coverage as well as in the Official Gazette of the Republic, and puts a catalogue with this information at the disposal of investors, at its offices and/or at the offices of the member of the ICF.

## 9. Procedure for recording and evaluation of the alleged compensation claims

- 9.1. The ICF designates at least one qualified auditor and at least one lawyer with knowledge on capital market issues, who after having checked initially the prerequisites, evaluate the claims submitted to the ICF 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 then submits a separate recommendation. The remuneration of the persons is agreed between the ICF and these persons and burdens the members of the ICF , and, if necessary, is paid by the ICF. The persons in order to evaluate the applications:
- ask from the member of ICF 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 ICF, 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.

## 10. Decision of the Administrative Committee on submitted applications

- 10.1. When examining the applications, the Administrative committee may consider recommendations of the persons and decide on the applications submitted to the ICF by determining the amount of the compensations for each claimant. Upon submission of the applications the Administrative Committee has control especially if:
- the claimant/ client falls within the category of Eligible Clients;
  - the application was timely submitted;
  - the conditions of legislation and of this Policy for the valid submission of compensation applications are fulfilled.
- 10.2. The Administrative Committee rejects the application in case the claimant does not fulfil the above conditions or, if at the Administrative Committee's discretion, there exists at least one of the following reasons:
- the claimant used fraudulent means in order to secure the payment of compensation by the Fund, especially if it knowingly submitted false evidence;
  - 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.
- 10.3. The ICF may demand at any time from Eligible Clients to return the compensation paid to it, if it finds out a posteriori that there was a reason to reject its application.

## 11. Procedure for evaluation of amount of payable compensation

- 11.1. To ascertain the claims of a claimant against a member of the ICF, as well as any counterclaims of the member of the ICF against the claimant, the books kept and the particulars issued by the member of the ICF as well as the supporting evidence produced by the claimant are taken into consideration.
- 11.2. The amount of the compensation payable to each Eligible Client is calculated in accordance with the legal and contractual terms governing the relation of the Eligible Clients with the member of the ICF, subject to the set-off rules applied for the calculation of the claims between the Eligible Clients and the member of the ICF.
- 11.3. The valuation of the financial instruments pertaining to the compensation payable to the Eligible Clients carried out based on their value at the day (1) of publication of the court and/or (2) of publication of the decision of CySEC.
- 11.4. The calculation of the payable compensation derives from the sum of total established claims of the Eligible Client against the member of the ICF, 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.
- 11.5. In the event the amount of the claim determined under this Policy exceeds the amount of twenty thousand Euro (EUR 20.000), the claimant/ client shall receive as compensation the**

***lump sum of the amount of twenty thousand Euro (EUR 20.000), pursuant to the applicable Laws and Regulations.***

## **12. Valuation of claims of Eligible Clients and its notification process**

12.1. Upon completion of the valuation, the ICF:

12.1.1. issues minutes listing the clients of the member of the ICF which are compensation beneficiaries along with the amount of money each one of them is entitled to receive, and, communicates it to CySEC and the member of the ICF within five working days from its issue; and

12.1.2. communicates to each affected client its finding no later than fifteen days from the issue of the minutes referred to above 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.

12.2. In order for CySEC Authority to ensure that the provisions of the legislation in force in the Republic are fulfilled during the examination of the applications and the calculation of the amount of the corresponding compensation per Eligible Clients, may (1) request from the ICF, the ICF member and the claimant to produce information and particulars; and/or (2) run any investigation required, implementing the relevant provisions of CySEC Laws of 2001 and 2002, as in force, in particular provisions enacting the powers of the CySEC for entry and investigation.

***12.3. The claimant to whom the ICF communicates the total compensation amount to which it is entitled, in case it disagrees with the ICF's decision, has the right within approximately ten (10) working days from the communication of the decision, to appeal to CySEC, justifying sufficiently its alleged claim.***

12.4. The CySEC Authority, in as long as it finds errors or/ inaccuracies as to the evaluation by the ICF of the applications for the payment of compensation and the fixing of the compensation for each claimant, taking into consideration any memos submitted to it by claimants, may demand from the ICF to correct the payable compensations with a decision communicated to the ICF within approximately forty-five (45) working days from the communication to it of the minutes of the compensation beneficiaries.

## **13. Procedure for payment of compensation**

13.1. The ICF is obliged to pay to each Eligible Client or claimant the compensation within three months from sending to CySEC the minutes with the compensation beneficiaries. The payment of the compensation by the ICF is deposited to a bank account of the Eligible Client designated by the latter in writing to the ICF. Every compensation payable to an Eligible Client burdens initially the property of the ICF corresponding to the individual shares of its members and then the assets of the fixed reserve.

13.2. The ICF's payment of any compensation implies the ICF's sole subrogation to the rights of the compensated Eligible Client or claimant against the ICF member for an amount equivalent to the compensation payable to it.

#### 14. Policy Review

- 14.1. The Company must examine complaint handling arrangement-related data on an ongoing basis in order to identify concurrent problems arising from multiple clients and to initiate relevant actions for preventing regulation-related issues and the effectiveness of such arrangements.
- 14.2. The Company's policy is assessed and periodically reviewed, at least on an annual basis, or more frequently, should the need arise and any amendments to this policy shall be approved by the Company's Board of Directors. The client shall be notified in writing of the nature of the changes deemed appropriate by law, and the revised policy will be available on the Company's Website.



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