

INVESTOR COMPENSATION FUND POLICY

I. INTRODUCTION

Capital Com SV Investments Limited ("we", "Capital.com", "the Company"), a company authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) (License No. 319/17), with registered office at Vasileiou Makedonos 8, Kinnis Business Center, 2nd floor, 3040 Limassol, Cyprus, is required to be a member of the Investor Compensation Fund (the "ICF" or the "Fund") for Customers of Cyprus Investment Firms (CIFs) and other Investment Firms (IFs) which are not credit institutions, in accordance with the CySEC Directive DI87-07 for the Operation of the Investor Compensation Fund, as amended from time to time (the "Directive").

The Fund constitutes a private legal entity administered by an Administrative Committee, consisting of five members, appointed for a three-year term.

II. THE OBJECT OF THE FUND

The purpose of the Fund is to safeguard the claims of covered clients against its members by compensating them for losses arising from the covered services provided by those members, where the member has been determined to have failed in meeting its obligations to the client, and provided that at least one of the conditions set out in Clause 18(1) of the Directive is satisfied.

Failure by the Company to fulfil its obligations as stipulated in Clause 19 of the Directive, can lead to either:

- a) Its inability to repay funds owed to its covered clients or belonging to them but are held by the Company on their behalf, directly or indirectly, in the framework of the provision of covered services; or
- b) Its inability to return to its covered clients any financial instruments which belong to them and which the Company holds or manages or administers in its accounts on behalf of its clients.

It is a legal obligation of Capital.com as a CIF to subscribe to and maintain membership in the Fund.

Any compensation provided to our Retail client by the Fund will not exceed twenty thousand Euros (€20.000). This limitation applies to the aggregate of claims our client may have against us.

III. DEFINITIONS

"Professional Investor" shall mean the persons specified in the Second Schedule of the Directive;

"Investors" or **"clients"** shall mean the natural person or legal entity or the union of persons or group of assets devoid of legal personality who are clients of a Fund member;

"Cyprus Securities and Exchange Commission" or the **"Commission"** or the **"CySEC"** shall mean the legal person of public governed by the Cyprus Securities and Exchange Commission Law;

"Covered client" shall mean the client of a Fund member, who is covered by the Fund for claims against the Fund member, arising from the covered services which are provided by the said Fund member;

"Non-covered client" shall have the meaning given to this term by the Second Schedule;

"Fund member" shall mean a CIF or IF which participates in the Fund;

"Non-professional investor" shall mean an investor who is not a professional;

"Joint investment business" shall mean investment business carried out for the account of two or more persons or over which two or more persons have rights that may be exercised by means of the signature of one or more of those persons.

IV. NON- COVERED CLIENTS

The Fund does not compensate investors that fall within the following categories:

1. Institutional and professional investors including:
 - a. Investment Firms;
 - 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 Company as professionals based on investors' request in accordance with paragraph II of the Second Appendix of the Law 87(I)/2017.
2. Supranational institutions, government and central administrative authorities.
3. Provincial, regional, local and municipal authorities.
4. Enterprises who have close ties with the Company.
5. Managerial and Administrative Staff of the Company.
6. 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.
7. 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 subparagraphs 5 and 6 above.
8. Up to second-degree relatives and spouses of the persons listed in paragraphs 5,6, and 7, as well as third parties acting for the account of these persons.
9. Apart from investors convicted of criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law of 2018, 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.

10. Other firms in the same Group.

11. 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 the abovementioned paragraphs 5, 6, 7, 8 and 10, the ICF suspends the payment of compensation, informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

V. COVERED CLIENTS

The covered services of Capital.com are available solely to retail clients, who are therefore eligible for protection under the Fund, as the ICF does not extend coverage to Professional Clients or CIFs.

VI. COVERED SERVICES

Covered services are those included in the Company's license (319/17) issued by CySEC, as in force at the time of the claim. The following investment services offered by Capital.com fall within the scope of the Fund's compensation scheme:

- Reception and transmission of orders in relation to one or more financial instrument;
- Execution of orders on behalf of clients;
- Dealing on own account.

Currently, Capital.com provides these covered services in relation to Contracts for Differences ("CFDs") and Knock-Out Options ("KOs") across a wide range of underlying asset classes, including, but not limited to, equities, commodities, cryptocurrencies, currency pairs (FX) and indices.

VI. COMPENSATION OF COVERED CLIENTS AND PAYMENT PROCEDURES

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

- The Commission has determined that the Company, which is subscribed to the Fund, is unable, at the time, to meet such of its duties as arise from its investor-clients' claims for reasons that are directly related to its financial circumstances and in respect of which there is no foreseeable prospect of improvement in the near future; or

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- A court of the Republic, has made a ruling, for reasons directly related to the financial circumstances of the Company, which is subscribed to the Fund, which has the effect of suspending the investors ability to lodge claims against the Company.

Upon the initiation of the compensation payment procedure, the Fund publishes in at least two newspapers of national coverage, an invitation to the covered clients to make their claims against the Company arising from covered services. The procedure for the submission of the relevant applications, the deadline and their content will be designated in the invitation.

The Commission shall issue its decision for the initiation of the compensation payment procedure by the Fund within a reasonable time, and publish the relevant information on its website.

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 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 maximum compensation payable amount of cover is either the 90% of the cumulative covered claims of the covered investor, or the amount of €20.000, whichever is lower.

In case of a joint investment business:

- a. In the calculation of the covered amount noted above, the share that corresponds to each covered investor is taken into account;
- b. Claims are allocated equally among the investors unless specific provisions apply, and subject to the exception of point c below, each investor is entitled to separate coverage up to the limit above; and
- c. The claims relating to joint investment business, to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature which has no legal personality, may, for the purpose of calculating the limits of compensation, be aggregated and treated as if arising from an investment made by a single investor.

Investor Compensation Fund V4.0 September 2025