

NOEMON FINANCE LTD

INVESTOR COMPENSATION FUND

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1. Introduction

Noemon Finance Limited is a private limited company incorporated in the Republic of Cyprus (Registration Number HE 427234), authorised and regulated by CySEC as a Cypriot Investment Firm (CIF) under licence number 449/24 (hereinafter the “Company”) is a member of the Investor Compensation Fund (the “ICF” or the “Fund”) within the definition of Directive DI87-07 (the “Directive”) of the Cyprus Securities and Exchange Commission (“CySEC” or “Commission”) for the Operation of the ICF.

2. Purpose of the Fund

The purpose of the Fund is to secure the claims of covered clients against the Company arising from the latter’s inability due to legal, contractual, or other obligations to:

- a) repay the funds owed to covered clients or belonging to them and held on their behalf in connection with investment operations; or
- b) return to covered clients any financial instruments belonging to them and held, managed or administered on their behalf in connection with investment operations.

3. Covered Services

Covered clients may apply for compensation by the Fund where their claims arise from the provision of the following investment and ancillary services the Company is authorised to provide:

Investment Services:

- i. Reception and transmission of orders in relation to one or more financial instruments;

- ii. Execution of orders on behalf of clients;
- iii. Dealing on Own Account;
- iv. Portfolio Management;
- v. Provision of Investment Advice.

Ancillary Services:

- i. Safekeeping and administration of financial instruments, including custodianship and related services;
- ii. Foreign exchange services where these are connected to the provision of investment services.

4. Covered Clients

The Fund only covers the claims of Retail Clients and does not cover claims of clients included in the following categories:

- a) Institutional and professional investors such as:
 - i. Investment Firms (IFs);
 - ii. Legal entities associated with the Company and, in general, belonging to the same group of companies as the Company;
 - iii. Banks;
 - iv. Cooperative credit institutions;
 - v. Insurance companies;
 - vi. Collective investment organisations in transferable securities and their management companies;
 - vii. Social insurance institutions and funds;
 - viii. Investors characterized by the Company as professionals upon their request.
- b) Supranational Institutions, government and central administrative authorities.
- c) Provincial, regional, local and municipal authorities.
- d) Enterprises that have close ties with the Company.

- e) Managerial and administrative 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 the Company's qualified auditors.
- g) Clients having an enterprise connected with the Company and in general, any entity within the group of companies to which the Company belongs, positions or duties corresponding to the ones listed in paragraphs (e) and (f) above.
- h) Relatives up to second degree and spouses of the persons listed in paragraphs (e), (f) and (g), as well as third parties acting for the account of these persons.
- i) Clients of the Company responsible for actions or omissions relating to the Company who have caused or contributed the financial difficulties of the Company or have contributed to the worsening of its financial situation or who have profited from such circumstances.
- j) Companies that form part of the same Group as the Company.
- k) Clients in the form of a company, which due to its size, is not allowed to draw a summary balance sheet in accordance with the Cyprus Companies Law Cap.113 or a corresponding law of a member state of the European Union.

5. Compensation Payment Process and Conditions

The ICF will initiate the compensation payment process in any of the following cases:

- b) CySEC has determined that the Company is unable to meet clients' claims, provided that such inability is directly related to the Company's financial position which has no realistic prospect of improvement in the near future, or
- c) A court of the Republic of Cyprus, 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.

Following the decision to initiate the compensation payment process in accordance with paragraphs (a) or (b) above, the ICF publishes as soon as possible in at least two (national newspapers, an invitation to submit applications for compensation, setting out the procedure for the submission of the relevant applications, the deadline for their submission, which cannot be lower than five (5) months, as well as their content. The publication is thereafter communicated immediately to CySEC which shall post the publication on its website. A covered client submitting a compensation application after the deadline, shall submit, in addition to the information forming part of the application, a declaration explaining the reason, if any, for which they were not in a position to claim the compensation in time, attaching all supporting evidence to that end.

The Administrative Committee of the Fund will examine the submitted applications and decide whether the conditions for payment of compensation by the Fund are fulfilled or not. The compensation payment conditions that need to be fulfilled are as follows:

- a) initiation of the compensation payment procedure;
- b) existence of a valid claim by a covered client arising from the provision of covered services;
- c) submission of an application in accordance with the procedure set out in the website of CySEC and which is available [here](#)
- d) the claims should not arise from transactions for which there has been a criminal conviction for Money Laundering ("ML");
- e) there are no pending criminal proceedings against the applicant for ML;
- f) The right of the applicant to apply for compensation has not extinguished under the Limitation of Offenses Act.

The Administrative Committee of the Fund may reject an application for the payment of compensation in the following cases:

- a) the applicant does not fall within the category of covered clients;
- b) the application for compensation has not been submitted on time;
- c) the applicant used false or misleading means to secure the payment of the compensation.

Upon completion of the procedure, the Fund will issue a decision, identifying the clients whose application has been accepted, determining the amount each client is entitled to receive, and will communicate its decision to CySEC and the ICF member within five (5) working days from its issue. The decision shall also specify the clients to whom no compensation is payable and shall state the reasons therefor. The decision of the Fund is also communicated to each affected client as soon as possible following its issue.

The ICF shall pay each covered client the compensation they are entitled to, within three (3) months from the date that the decision was communicated to them.

6. Amount of Compensation

The amount of compensation payable is calculated in accordance with the legal and contractual terms governing the relation of the covered client with the Company, subject to the set-off rules. The calculation of compensation to be paid derives from the sum of the 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 might be a beneficiary, the currency and the place of provision of these services.

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

In the case of joint investment business, the share attributable to each covered client is taken into account. The claims are allocated equally amongst covered investors, unless special provisions exist, and each investor is provided with separate coverage.