

**NOTICE IN RELATION TO THE INVESTOR COMPENSATION FUND  
FOR CUSTOMERS OF RONIN EUROPE LIMITED**

**I. INVESTOR COMPENSATION FUND**

RONIN EUROPE LIMITED (the “Company”) is a member of the Investor Compensation Fund for Customers of Cypriot Investment Firms (CIFs) and other Investment Firms (IFs) which are not credit institutions (the “Fund”). The Fund was established under the Investment Firms (IF) Law 2002 as amended (the “Law”) and the Establishment and Operation of an Investor Compensation Fund for Customers of CIFs Regulations of 2004 (the “Regulations”) which were issued under the Law. The Fund 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 Fund has been operating since 30 May 2004.

**II. COVERED SERVICES**

Covered Services are the investment services of:

1. reception and transmission, on behalf of customers, of orders in relation to one or more of the financial instruments;
2. execution of such orders, as listed in paragraph 1. above, for account of customers;
3. dealing in financial instruments for own account;
4. managing of investment portfolios in accordance with mandates given by customers on a discretionary basis where such portfolios include one or more of the financial instruments;
5. underwriting in respect of issues of one or more of the financial instruments and/or the placing of such issues;
6. safe-keeping or administration in relation to one or more of the financial instruments.

Financial Instruments includes:

1. Transferable Securities and units in collective investment undertakings, and
2. Money market instruments.

**III. COVERED CUSTOMERS**

**Covered customers** are the customers of the Company, except:

- A. Investors characterized by the Company as “professional clients” and “eligible counterparty”;
- B. Investors who are included in the following categories of investors:

1. Institutional and professional investors such as:

- (a) Investment Firms (IFs);
- (b) legal entities associated with the Company and, in general, belonging to the same group of companies as the Company;
- (c) banks,
- (d) co-operative credit institutions;
- (e) insurance companies;
- (f) collective investment organizations in transferable securities and their management companies;
- (g) social insurance institutions and funds.

2. States and supranational organizations.

3. Central, federal, confederate, regional and local administrative authorities.

4. Enterprises associated with the Company.

5. Executive and managerial officers 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 companies to which the Company belongs, positions or duties corresponding to the ones listed in paragraphs 5 and 6.

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8. 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.
- (a) Investors, whose claim arises out of transactions involving individuals, who have been convicted of a criminal offence for these transactions, pursuant to the Concealment, Investigation and Confiscation of Proceeds from Criminal Activities Act 1996 as amended.
- (b) Investors-customers of the Company responsible for facts which have caused its financial difficulties or have contributed to the worsening of its financial situation or who have profited from these facts.
9. Investors in the form of a company, which due to its size, is not allowed to draw a summary balancesheet in accordance with the Companies Act or a corresponding law of a member state of the European Union.

### **IV. OBJECT OF THE FUND**

The object of the Fund is to secure the claims of the covered customers against the members of the Fund 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 by the Company to fulfill its obligations consists of its failure to-

- (a) either return to its covered customers 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 customers of covered services, and which the latter requested the Company to return, in exercising their relevant right,
- (b) or hand over to the covered customers 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.

### **V. PREREQUISITES FOR INITIATING THE COMPENSATION PAYMENT PROCEDURE**

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

- (a) The Cyprus Securities and Exchange Commission has determined that the Company is for the time being unable to meet its obligations arising from its investors-customers' 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 Court, based on grounds directly related to the financial position of the Company, has made a ruling which has the effect of suspending the investors-customers' ability to lodge claims against the Company. Upon issuance of a decision by the Cyprus Securities and Exchange Commission or by the Court in accordance with paragraph (a) or (b) above respectively, on the commencement of the compensation payment procedure, the Fund publishes in at least three national newspapers an invitation to the covered customers 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.

### **VI. CALCULATING THE AMOUNT OF PAYABLE COMPENSATION**

The amount of compensation payable to each covered customer is calculated in accordance with the legal and contractual terms governing the relation of the covered customer with the Company, subject to the rules of setoff applied for the calculation of the claims between the covered customer and the Company. The calculation of the payable compensation derives from the sum of total established claims of the covered customer against the Company, arising from all covered services provided by the Company and regardless of the number of accounts of which the customer is a beneficiary, the currency and place of provision of these services. Insofar as the amount of the claim determined, exceeds the amount in Cyprus Pounds corresponding to Euro 20.000, the claimant receives as compensation the lump sum in Cyprus Pounds of the amount of Euro 20.000.

For the determination of the equivalent of the Cyprus Pound against the EURO, the average exchange rate is taken into account as fixed by the Central Bank of Cyprus on the day of issue of the decision of the Cyprus Securities and Exchange Commission on the commencement of the compensation

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payment procedure by the Fund in accordance with paragraph 5(a) above, or the Court ruling in accordance with paragraph 5(b) above, respectively.

Upon completion of the valuation, the Fund (a) issues minutes listing the customers of the Company who are entitled to compensation, along with the amount of money each one of them is entitled to receive and communicates it to the Cyprus Securities and Exchange Commission and the Company within five working days from its issue and (b) communicates to each affected customer its finding no later than fifteen days from the issue of the minutes, determining the total compensation amount this customer is entitled to receive. The claimant, to whom the Fund communicates the total compensation amount to which he is entitled, in case he disagrees with the Fund's decision, has the right within ten days from the communication of the decision to appeal to the Cyprus Securities and Exchange Commission, justifying sufficiently his alleged claim.

The Fund is obliged to pay to each covered customer – claimant the compensation within three months from sending to the Cyprus Securities and Exchange Commission the minutes with the compensation beneficiaries.

***For any further information regarding the Fund, please refer to the offices of the Administrative Committee of the Fund, at the following address:***

*Administrative Committee of the Investor Compensation Fund for Customers of CIFs and other IFS:  
32 Stasikratous Street, 4th floor*

*P.O. Box 24996 1306 Nicosia e-mail address: [investmentfirms@cysec.gov.cy](mailto:investmentfirms@cysec.gov.cy) fax no.: 22 375762*

***and for any further information regarding the Regulations, please refer to the Cyprus Securities and Exchange Commission' website at: [http://www.cysec.gov.cy/EN/laws\\_regulations.asp](http://www.cysec.gov.cy/EN/laws_regulations.asp)***