

Investors Compensation Fund

The Republic of Cyprus has three different types of Investor Compensation Funds:

- Investor Compensation Fund for clients of investment firms;
- Investor Compensation Fund for clients of banks;
- Investor Compensation Fund for clients of co-operative credit institutions.

Dragon Capital (Cyprus) Limited (The Company) is a member of the Investment Compensation Fund for investment firms which was established in 2004 and as such it is prohibited for any Investment firm to provide investment services within the boundaries of the Republic of Cyprus without being a member.

The objective of the Investors Compensation Fund is to compensate retail clients when Dragon Capital (Cyprus) Limited is unable to satisfy any client claims against it. The maximum compensation allowed is €20,000.00.

The updated license received from CySEC on 12 September 2018 allows the Company to provide the following investment and ancillary services in accordance with the provisions of the applicable legislation and requirements issued by CySEC.

Investment Services

- Reception and transmission of orders in relation to one or more financial instruments
- Execution of orders on behalf of customers
- Dealing on own account
- Investment Advice
- Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis
- Placing of financial instruments without a firm commitment basis

Ancillary Services

- Safekeeping and administration of financial instruments for the account of customers including custodianship and related services
- Granting credit or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where granting the credit or loan is involved in the transaction
- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings
- Foreign exchange services where these are connected to the provision of investment services
- Investment Research
- Services Related to Underwriting

The above services, both investment and ancillary can be provided on the following financial instruments in line with defined targeted markets, defined groups of clients, and distribution strategies developed:

1. Transferable securities
2. Money market instruments
3. Units in collective investment undertakings

4. Options, futures, SWAPs, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures which may be settled physically or in cash
5. Options, futures, SWAPs, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or maybe settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination)
6. Options, futures, SWAPs and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or/and an MTF
7. Options, futures, SWAPs, forward rate agreements and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in paragraph 6 of part III and not being for commercial purposes, which have characteristics of other derivative financial instruments having regards to whether inter alia they are cleared and settled through recognized clearing houses or are subject to margin call
10. Options, futures, SWAPs, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or maybe settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event) as well as any other derivative contract relating to assets, rights, obligations, indices and measures not otherwise mentioned in this part which have the characteristics of other derivative financial instruments having regards be whether inter alia they are traded on a regulated market, OTF or an MTF.

In addition Dealing on Own Account service can be provided on the following financial instruments:

- (9) Financial contracts for differences;

Financial contracts for difference are not available for trading to clients of the Company.

Clients of Dragon Capital (Cyprus) Limited which are NOT covered by the Investor Compensation Fund are as follows:

1. The following categories of institutional and professional investors:
 - Investment firms
 - 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
2. States and supranational organizations
3. Central, federal, confederate, regional and local administrative authorities
4. Enterprises associated 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 member of the Fund 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 carrying out financial audits of the Company as provided by the Law, such as qualified auditors

7. Investors having an enterprise 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 paragraphs 5 and 6 above
8. Second-degree relatives and spouses of the persons listed in paragraphs 5, 6 and 7, as well as third parties acting on account of these persons
9. Investor-clients of the Company responsible for facts pertaining to the Company that has caused its financial difficulties or has contributed to the worsening of its financial situation; or, which have profited from these facts
10. 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.